

**ANNUAL REPORT
2014**



VIDEOCON

VIDEOCON INDUSTRIES LIMITED

BOARD OF DIRECTORS

Venugopal N. Dhoot	Chairman & Managing Director
Maj Gen. S. C. N. Jatar	Independent Director
Radheyshyam Agarwal	Independent Director
Anil Joshi	Independent Director
Subroto Gupta	Nominee-IDBI Bank Limited
Ramabai V. Dhoot	Promoter, Non Executive Director

AUDITORS

KHANDELWAL JAIN & CO.

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

KADAM & CO.

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

COMPANY SECRETARY

Vinod Kumar Bohra

REGISTERED OFFICE

14 K.M. Stone, Aurangabad-Paithan Road,
Village: Chittegaon, Taluka: Paithan,
Dist.: Aurangabad – 431 105 (Maharashtra)

MANUFACTURING FACILITIES

14 K.M. Stone, Aurangabad-Paithan Road,
Village: Chittegaon, Taluka: Paithan,
Dist.: Aurangabad - 431 105 (Maharashtra)

Village: Chavaj, Via Society Area,
Taluka & Dist.: Bharuch - 392 002 (Gujarat)

Vigyan Nagar, Industrial Area, Opp. RIICO Office,
Shahjahanpur, Dist.: Alwar - 301 706 (Rajasthan)

BANKERS

Allahabad Bank	Punjab National Bank
Andhra Bank	State Bank of Bikaner & Jaipur
Bank of Baroda	State Bank of Hyderabad
Bank of India	State Bank of India
Bank of Maharashtra	State Bank of Mysore
Canara Bank	State Bank of Patiala
Central Bank of India	State Bank of Travancore
Corporation Bank	Syndicate Bank
Dena Bank	The Federal Bank Limited
ICICI Bank Limited	UCO Bank
IDBI Bank Limited	Union Bank of India
Indian Bank	United Bank of India
Indian Overseas Bank	Vijaya Bank
Oriental Bank of Commerce	

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NOTICE

NOTICE is hereby given that the Twenty-Fifth Annual General Meeting of the Members of **VIDEOCON INDUSTRIES LIMITED** (the "Company") will be held on Saturday, 27th June, 2015 at the Registered Office of the Company at 14 K.M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka: Paithan, Dist.: Aurangabad - 431 105 (Maharashtra) at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the period ended 31st December, 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on preference shares.
3. To declare dividend on equity shares held by Non-Promoter Shareholders (Public Shareholders).
4. To appoint Auditors, 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 of the Companies Act, 2013 and the Rules made thereunder, M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai (Firm Registration No.105049W) and M/s. Kadam & Co., Chartered Accountants, Ahmednagar (Firm Registration No. 104524W), be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting i.e. the 25th Annual General Meeting until the conclusion of the 28th Annual General Meeting (subject to ratification of the appointment by the Members at every Annual General Meeting held after this Annual General Meeting) on such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

5. To appoint Mrs. Ramabai Venugopal Dhoot (DIN: 02377583), as a 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 Sections 149, 152, 160 and such other applicable provisions of the Companies Act, 2013 and the Rules made thereunder Mrs. Ramabai Venugopal Dhoot (DIN: 02377583), who was appointed as an Additional Director on the Board of Directors of the Company and who holds office of Director upto the date of ensuing 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 her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To appoint/confirm Mr. Anil Joshi (DIN: 00019927) 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 Sections 149, 152 and other provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Anil Joshi (DIN: 00019927), who was originally appointed, by the shareholders, as an Independent Director within the meaning of Clause 49 of the Listing Agreement entered with the Stock Exchanges, 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 newly introduced 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. Anil Joshi 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."

7. To appoint/confirm Maj. Gen. Sudhir Chintamani Nilkanth Jatar (DIN: 00393605) as an Independent Director, who retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment 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 and other provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Maj. Gen. Sudhir Chintamani Nilkanth Jatar (DIN: 00393605), who was originally appointed, by the shareholders, as an Independent Director within the meaning of Clause 49 of the Listing Agreement entered with the Stock Exchanges, 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 newly introduced 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 Maj. Gen. Sudhir Chintamani Nilkanth Jatar 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."

8. To appoint/confirm Mr. Radheyshyam Dalchand Agarwal (DIN: 00012594), as an Independent Director, who retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment 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 and other provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Radheyshyam Dalchand Agarwal (DIN: 00012594), who was originally appointed, by the shareholders, as an Independent Director within the meaning of Clause 49 of the Listing Agreement entered with the Stock Exchanges, 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 newly introduced 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. Radheyshyam Dalchand Agarwal 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.”

9. 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, Mr. Jayant B. Galande (Membership No. 5255), Cost Accountant in Whole-Time Practice, Aurangabad, appointed as the Cost Auditor of the Company by the Board of Directors, for conducting the audit of the cost records of the Company for the financial year commencing on 1st January, 2015 at a remuneration of ₹ 1,00,000/- (Rupees One Lakh only) excluding service tax, travelling and other out-of-pocket expenses incurred by him in connection with the aforesaid audit be and is hereby ratified and confirmed.”

10. To re-appoint Mr. Venugopal Nandlal Dhoot (DIN: 00092450), as a Managing Director, for a period of Five years 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 196 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with the Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to the approval of the Board of Directors of the Company (the ‘Board’) at its meeting held on 15th May, 2015, and subject to the approvals, permissions, sanctions, as may be required and terms and conditions, as may be and is hereby prescribed by any of the Statutory Authorities in granting such approvals, permissions and sanctions, consent of the Company be and is hereby accorded for the re-appointment of Mr. Venugopal Nandlal Dhoot (DIN: 00092450), Key Managerial Personnel, as Managing Director of the Company, for a period of five years with effect from 1st September, 2015 to 31st August, 2020, liable to retire by rotation at Nil remuneration.

RESOLVED FURTHER THAT Mr. Venugopal Nandlal Dhoot be and is hereby entrusted with substantial powers of management and power to perform such functions, as set out in the draft of the agreement to be entered into between the Company and Mr. Venugopal Nandlal Dhoot, for his appointment as Managing Director of the Company, a copy whereof duly initialled by the Chairman for the purpose of identification and placed before the meeting.

RESOLVED FURTHER THAT any one of the Directors of the Company or Company Secretary be and is hereby authorised to approve, finalise, sign and execute the agreement and such other documents, applications, returns and writings, as may be required in this regard and do all such acts, deeds and things, as may be necessary, for giving effect to this resolution.”

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

“**RESOLVED THAT** in supersession to the earlier resolution passed by means of Postal Ballot on 12th September, 2014 and pursuant to the provisions of Section 41, 42, 62, 67, 71 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), the Foreign Exchange Management Act, 1999, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 (to the extent applicable), the Depository Receipt Scheme, 2014, the notifications issued by the Reserve Bank of India (“RBI”) and other applicable laws, equity listing agreements entered into by the Company with the stock exchanges where the equity shares of the Company are listed, Articles of Association and subject to all other statutory and regulatory approvals, consents, permissions and/or sanctions of the Government of India, RBI, Securities and Exchange Board of India (“SEBI”) and all other concerned authorities (hereinafter singly or collectively referred to as the “Appropriate Authority” or “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 term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this Resolution, to the extent permitted by law), 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 equity shares and/or other equity linked or convertible financial instruments (“OFIs”) in one or more tranches, whether denominated in Indian Rupee or foreign currency(ies), in the course of international and/or domestic offering(s) in one or more foreign market(s), for an amount not exceeding ₹ 5,000 Crores (Rupees Five Thousand Crores Only), or its equivalent in foreign currency, inclusive of premium, through a Follow-on Public Offering (“FPO”) to eligible investors, or through Global Depository Receipts (“GDRs”), American Depository Receipts (“ADRs”), Foreign Currency Convertible Bonds (“FCCBs”), any other Depository Receipt Mechanism convertible into Equity Shares (either at the option of the Company or the holders thereof) at a later date, any such instrument or security including Debentures or Bonds or Foreign Currency Convertible Bonds (“FCCBs”) being either with or without detachable warrants attached thereto entitling the warrant holder to apply for Equity Shares/instruments or securities including GDRs and ADRs representing equity shares (hereinafter collectively referred to as the “Securities”) or any combination of Equity Shares with or without premium, to be subscribed to in Indian Rupees and/or any foreign currency(ies) by resident or non-resident/foreign investors (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/ or otherwise)/ Foreign Institutional Investors (“FIIs”)/ Foreign Portfolio Investors / Mutual Funds/ Pension Funds/ Alternate Investment Funds / Venture Capital Funds/ Banks and such other persons or entities, whether or not such investors are members of the Company, to all or any of them, jointly or severally through prospectus, offer document and/ or other letter, placement document or circular (“Offer Document”) and/ or on private placement basis, from time to time 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 to the market price prevailing at the time of the issue and in such form and manner and on such terms and conditions or such modifications thereto as the Board may determine in consultation with the Lead Manager(s) and/or Underwriters and/or other Advisors, with authority to retain oversubscription upto such percentage as may be permitted by the Appropriate Authorities and in accordance with applicable law, with or without voting rights in general meetings/ class meetings, at such price or prices, at such interest or additional interest, at a discount or at a premium on the market price or prices and in such form and manner and on such terms and conditions or such modifications thereto, including the number of Securities to be issued, face value, rate of interest, redemption period, manner of redemption, amount of premium on redemption/prepayment, number of further Equity Shares, to be allotted on conversion/ redemption/ extinguishment of debt(s), exercise of rights attached to the warrants, the ratio of exchange of shares and/or warrants and/or any other financial instrument, period of conversion, 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), the Merchant Banker(s) and/ or Lead Manager(s) and/or Underwriter(s) and/or Advisor(s) 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, in the event of (i) a proposed issuance of FCCBs, the relevant date shall mean the date on which the Board or a duly constituted committee thereof decides to open the proposed issuance of FCCBs, or such other date as may be notified by any Appropriate Authority from time to time in connection with FCCBs, (ii) a proposed issuance of GDRs / ADRs, the pricing for the same shall be decided in accordance with the provisions of the Depository Receipt Scheme, 2014, and (iii) a proposed issuance of any other instrument, such date as may be notified by any Appropriate Authority.

RESOLVED FURTHER THAT the Board be and is hereby authorized to enter into and execute all such agreements and arrangements with any Lead Manager(s), Co-Lead Manager(s), Manager(s), Advisor(s), Underwriter(s), Guarantor(s), Depository(ies), Custodian(s), Trustee, Stabilisation Agent, Banker/Escrow Banker to the Issue and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate all such agencies by way of commission, brokerage, fees or the like, and also to seek the listing of such Securities in one or more Indian/International Stock Exchanges.

RESOLVED FURTHER THAT the Board and/or agency or body authorized by the Board may issue Depository Receipt(s) or Certificate(s), representing the underlying Securities issued by the Company in registered or bearer form with such features and attributes as are prevalent in Indian and/or International Capital Markets for the instruments of this nature and to provide for the tradability or free transferability thereof, as per the Indian/ International practices and regulations and under the norms and practices prevalent in the Indian/International Markets.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of further Equity Shares as may be required to be issued and allotted upon conversion of any securities or as may be necessary in accordance with the terms of the offering, all such further Equity Shares shall

rank pari-passu with the existing fully paid equity shares of the Company in all respects except provided otherwise under the terms of issue and in the offer document.

RESOLVED FURTHER THAT subject to the existing law and regulations, such Securities to be issued, that are not subscribed, during the currency of the warrants or option or any right entitling the holder of Security to subscribe for Equity Shares or any OFIs, may be disposed off by the Board to such person(s) and in such manner and on such terms as the Board may in its absolute discretion think most beneficial to the Company, including offering or placing them with resident or non-resident/ foreign investor(s) (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/ or otherwise) FII/ Qualified Institutional Buyers ("QIBs"/Mutual Funds/ Pension Funds/ Venture Capital Funds/ Banks and/or Employees and Business Associates of the Company or such other person(s) or entity(ies) or otherwise, whether or not such investors are members of the Company, as the Board may in its absolute discretion decide.

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, including without limitation the entering into of underwriting, marketing, depository and custodian arrangements 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."

**For and on behalf of the Board of Directors of
VIDEOCON INDUSTRIES LIMITED**

Place: Mumbai

Date: 15th May, 2015

**VENUGOPAL N. DHOOT
CHAIRMAN & MANAGING DIRECTOR
DIN: 00092450**

Registered Office:

14 K. M. Stone, Aurangabad-Paithan Road,
Village: Chittegaon, Taluka: Paithan,
Dist.: Aurangabad - 431 105 (Maharashtra).
CIN: L99999MH1986PLC103624

E-mail Id: secretarial@videoconmail.com

Website:www.videoconworld.com

Tel. No.: +91-2431-251501/2

Fax No.: +91-2431-251551

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, 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 copy of Annual Report will be supplied to those share holders to whom Annual Report has been sent through Electronic Mode.
4. Corporate Members intending to send their authorized representative(s) to attend the Meeting 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.
5. Details under Clause 49 of the Listing Agreement entered with Stock Exchanges in respect of the Directors seeking confirmation/appointment at the ensuing Annual General Meeting is appended to the Notice.
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, alongwith their copy of Annual Report to the Meeting.
8. 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.
9. 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 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.
10. 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.
11. The Notice of the Meeting is being placed on the website of the Company viz., www.videoconworld.com and on the website of CDSL viz., www.cdslindia.com.
12. 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.
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 3 days of conclusion of the Meeting, 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.videoconworld.com and on the website of CDSL at www.cdslindia.com, immediately after the results are declared by the Chairman.

14. 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/ entitlement date only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General 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 i.e. Saturday, 20th June 2015, may obtain the User ID and Password by sending an email request to secretarial@videoconmail.com. Members may also call on +91 22 6611 3659 or send a request to Mr. Vinod Kumar Bohra, Company Secretary, by writing to him at Videocon Industries Limited at 2nd Floor, Fort House, Dr. D N Road, Fort, Mumbai - 400 001.
16. 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.
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 and for determining shareholders' entitlement for dividend.
18. The Equity Dividend, as recommended by the Board of Directors, if declared at the Meeting, will be paid on or around Thursday, 2nd July, 2015, to those Members who hold shares in physical form and whose names appear in the Company's Register of Members on Monday, 15th June, 2015. As regards, shares held in the electronic form, the dividend will be paid to those beneficial owners of the shares as per the particulars of beneficial ownership furnished by NSDL and CDSL.
19. 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/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 unpaid/unclaimed dividend as on 28th December, 2013 (the date of previous Annual General Meeting) are available on the Company's website www.videoconworld.com and on the website of Ministry of Corporate Affairs at www.mca.gov.in.
20. Members who hold shares in physical form, under multiple folios, in identical names or joint accounts in the same order of names, are requested to send the share certificates to M/s. MCS Share Transfer Agent Limited, Registrar and Transfer Agent of the Company, for consolidation into a single folio.
21. 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.
22. Non-Resident Indian Members are requested to inform M/s. MCS Share Transfer Agent Limited, the Registrar and Share Transfer Agent of the Company, immediately of change in their residential status on return to India for permanent settlement together with the particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with Pin Code Number, if not furnished earlier.
23. 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 Systems, Members are requested to avail the facility of dematerialization of the Company's shares on either of the Depositories, as aforesaid.
24. The relevant documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company on all working days between 12.00 noon to 3.00 p.m. upto the date of the Meeting.
25. 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 Chairman of the Meeting to reply at the Meeting.
26. The Annual Report of the Company will be made available on the Company's website at www.videoconworld.com and also on the website of BSE Limited at www.bseindia.com and on NSE at www.nseindia.com.
27. Members may address their queries/communications at secretarial@videoconmail.com
28. Members are requested to kindly bring their copy of the Annual Report to the Meeting.

E-VOTING INSTRUCTIONS

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 is 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 of 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.
- (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.
- (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, given below this Notice or on Attendance Slip, 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.
DOB	<p>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.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>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).</p>

- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant VIDEOCON INDUSTRIES LIMITED on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) 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.
- (xvii) 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 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.
- (xviii) 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.
- (xix) Any person who becomes a member of the Company after the date of this Notice of the Meeting and holding shares as on the cut-off date i.e. Saturday, 20th June, 2015, may obtain the User ID and Password by sending an email request to secretarial@videoconmail.com. Members may also call on +91 22 6611 3659 or send a request to Mr. Vinod Kumar Bohra, Company Secretary, by writing to him at Videocon Industries Limited at 2nd Floor, Fort House, Dr. D N Road, Fort, Mumbai - 400 001.

**For and on behalf of the Board of Directors of
VIDEOCON INDUSTRIES LIMITED**

Place: Mumbai
Date: 15th May, 2015

**VENUGOPAL N. DHOOT
CHAIRMAN & MANAGING DIRECTOR
DIN: 00092450**

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

Item No. 5

Mrs. Ramabai Venugopal Dhoot, was appointed as an Additional Director of the Company at the meeting of the Board of Directors of the Company held on 28th February, 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 in terms of the provisions of Clause 49 of the Listing Agreement, every listed company should 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. Ramabai Venugopal Dhoot was appointed as Director of the Company at the meeting of the Board of Directors of the Company held on 28th February, 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. Ramabai Venugopal Dhoot for the office of Director.

The Company has received from Mrs. Ramabai Venugopal Dhoot (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. Ramabai Venugopal Dhoot 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 with the Stock Exchanges in India is appended to the Notice. 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. Ramabai Venugopal Dhoot and Mr. Venugopal Nandal Dhoot, Managing Director of the Company, no other Director, Key Managerial Personnel or their relatives is interested or concerned in the resolution.

Item No. 6

Mr. Anil Joshi was appointed as Non-Executive Independent Director, pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchanges.

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 new 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. Anil Joshi as an Independent Director 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. Anil Joshi 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. Anil Joshi (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 & Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013 and (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. Anil Joshi for the office of Director of the Company.

The Board seeks the approval of the Members of the Company to confirm/appoint Mr. Anil Joshi 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. Anil Joshi, 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 Exchanges is appended to the Notice.

In the opinion of the Board of Directors, Mr. Anil Joshi, the Independent Director, fulfils 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. Anil Joshi, are available for inspection without any fee by the Members at the Company's Registered Office during normal business hours 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. Anil Joshi as an Independent Director.

No Director, Key Managerial Personnel or their relatives, except Mr. Anil Joshi, to whom the resolution relates, is interested or concerned in this resolution.

Item No. 7

Maj. Gen. Sudhir Chintamani Nilkanth Jatar was appointed as Non-Executive Independent Director, pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchanges.

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

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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 new 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 Maj. Gen. Sudhir Chintamani Nilkanth Jatar as an Independent Director 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 Maj. Gen. Sudhir Chintamani Nilkanth Jatar 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 Maj. Gen. Sudhir Chintamani Nilkanth Jatar (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 Maj. Gen. Sudhir Chintamani Nilkanth Jatar for the office of Director of the Company.

The Board seeks the approval of the Members of the Company to confirm/appoint Maj. Gen. Sudhir Chintamani Nilkanth Jatar 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 Maj. Gen. Sudhir Chintamani Nilkanth Jatar, 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 Exchanges is appended to the Notice.

In the opinion of the Board of Directors, Maj. Gen. Sudhir Chintamani Nilkanth Jatar, the Independent Director, fulfils 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 Maj. Gen. Sudhir Chintamani Nilkanth Jatar, are available for inspection without any fee by the Members at the Company's Registered Office during normal business hours 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 Maj. Gen. Sudhir Chintamani Nilkanth Jatar as an Independent Director.

No Director, Key Managerial Personnel or their relatives, except Maj. Gen. Sudhir Chintamani Nilkanth Jatar, to whom the resolution relates, is interested or concerned in this resolution.

Item No. 8

Mr. Radheyshyam Dalchand Agarwal was appointed as Non-Executive Independent Director, pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchanges.

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 new 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. Radheyshyam Dalchand Agarwal as an Independent Director 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. Radheyshyam Dalchand Agarwal 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. Radheyshyam Dalchand Agarwal (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. Radheyshyam Dalchand Agarwal for the office of Director of the Company.

The resolution seeks the approval of the Members of the Company to confirm/appoint Mr. Radheyshyam Dalchand Agarwal 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 there under. He is not liable to retire by rotation.

A brief profile of Mr. Radheyshyam Dalchand Agarwal, 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 Exchanges is appended to the Notice.

In the opinion of the Board of Directors, Mr. Radheyshyam Dalchand Agarwal, the Independent Director, fulfils 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. Radheyshyam Dalchand Agarwal, are available for inspection without any fee by the Members at the Company's Registered Office during normal business hours 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. Radheyshyam Dalchand Agarwal as an Independent Director.

No Director, Key Managerial Personnel or their relatives, except Mr. Radheyshyam Dalchand Agarwal, to whom the resolution relates, is interested or concerned in this resolution.

Item No. 9

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of Mr. Jayant Galande (Membership No. 5255), Cost Accountant in Whole-Time Practice, Aurangabad, as Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year from 1st January, 2015 to 31st December, 2015. The Board of Directors of the Company, on the recommendation of the Audit Committee, has decided to pay a remuneration of ₹ 1,00,000/- (Rupees One Lakh Only) excluding Service Tax and other Taxes and other out of pocket expenses at actual, to Mr. Jayant Galande, for the financial year from 1st January, 2015 to 31st December, 2015.

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 Auditors 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 passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year commencing on 1st January, 2015.

None of the Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution. The Board commends the Ordinary Resolution set out at Item No. 9 of the Notice for approval of the members.

Item No.10

Mr. Venugopal Nandlal Dhoot, (DIN 00092450), 64, is Key Managerial Personnel of the Company designated as Chairman & Managing Director of the Company. He is one of the promoters of Videocon Group of Companies. He was initially appointed as Chairman & Managing Director of the Company for a period of 5 years with effect from 1st September, 2005. Subsequently, he was re-appointed for a further period of 5 years i.e. upto 31st August, 2015 and is not liable to retire by rotation. Unless re-appointed, he shall cease to be the Managing Director of the Company on 31st August, 2015. Being eligible, has offered himself for re-appointment.

The tenure of Mr. Venugopal Nandlal Dhoot as Managing Director of the Company ends on 31st August, 2015. The Board of Directors of the Company have approved re-appointment of Mr. Venugopal Nandlal Dhoot as Managing Director of the Company for a period of Five years w.e.f. 1st September, 2015, liable to retire by rotation, subject to the approval of shareholders at the ensuing Annual General Meeting.

The Company has received from Mr. Venugopal Nandlal Dhoot (1) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualifications of Directors) Rules, 2014 and (2) intimation in Form DIR-8 in terms of Companies (Appointment & Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013.

A brief profile of Mr. Venugopal Nandlal Dhoot seeking appointment, 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 Exchanges in India is appended to the Notice. The Board is of the opinion that his 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.

The Managing Director shall carry out all such duties as may be entrusted to him, from time to time, subject to the supervision of the Board of Directors. Subject to the provisions of Regulation 93 to 96 of the Articles of Association of the Company and subject to the approval of the members at the ensuing Annual General Meeting, and also subject to the provisions of the Companies Act, 2013 and the Rules made thereunder, in particular to the prohibitions and restrictions contained in Section 179 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mr. Venugopal Nandlal Dhoot, as Managing Director, shall have the substantial powers of management and such additional power as may be entrusted or conferred upon him, by the Board, from time to time. During the tenure of his appointment as Managing Director he shall be liable to retire by rotation and shall not be entitled for any remuneration.

A copy of the terms and conditions governing the appointment of Mr. Venugopal Nandlal Dhoot as Managing Director is available for inspection by the members during business hours on any working day before the date of Annual General Meeting and shall also be placed before the meeting for the approval of the members.

Except, Mr. Venugopal Nandlal Dhoot, and Mrs. Ramabai Venugopal Dhoot, no other Director, Key Managerial Personnel or their relatives are interested or concerned in the resolution.

Item No.11

The Members of the Company vide resolution passed by means of Postal Ballot on 12th September, 2014 accorded their approval to issue, offer and allot equity shares and/or other equity linked financial instrument, in one or more tranches, for an amount not exceeding ₹ 5,000 Crores, inclusive of premium, through a Follow-on Public Offering ("FPO"), Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs"), any other Depository Receipt Mechanism convertible into Equity Shares, or any such instrument or security [including Debentures or Bonds or FCCBs] being either with or without detachable warrants attached thereto entitling the warrant holder to apply for Equity Shares/instruments.

Even though the aforementioned is valid for a period of 1 year from the date of passing, the Company has been advised to seek a fresh approval from the members in terms of the provisions of Companies Act, 2013 as the Company continues to evaluate different proposals to mobilize the funds, as and when required including by way of debt instrument and instruments convertible into equity shares and the currency of previous resolution is just one year from passing of such resolution.

In terms of Sections 41, 42, 62, 67 read with Section 71 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, a company making an allotment to persons other than the existing shareholders of the Company is required to obtain the approval of the members by way of passing Special Resolution.

The Board recommends the resolution set out at Item No.11 of the Notice of Annual General Meeting for your approval.

The Directors or Key Managerial Personnel of the Company or their relatives are deemed to be concerned or interested in this Resolution only to the extent of shares, if any allotted.

**For and on behalf of the Board of Directors of
VIDEOCON INDUSTRIES LIMITED**

Place: Mumbai
Date: 15th May, 2015

**VENUGOPAL N. DHOOT
CHAIRMAN & MANAGING DIRECTOR
DIN: 00092450**

BRIEF PROFILE OF THE DIRECTORS SEEKING CONFIRMATION/ APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES IN INDIA)

Particulars	Profile of the Directors				
Name of the Director	Mr. Venugopal N. Dhoot	Mrs. Ramabai Venugopal Dhoot	Mr. Anil Joshi	Maj. Gen. Sudhir Chintamani Nilkanth Jatar	Mr. Radheyshyam Dalchand Agarwal
DIN	00092450	02377583	00019927	00393605	00012594
Date of Birth	30th September, 1951	22nd May, 1955	17th December, 1943	3rd September, 1932	2nd October, 1942
Educational Qualifications	BE Mechanical	Graduate	M.Sc. Physics/ Electronics, P.G. Diploma – Business Management, C.A.I.I.B (Part I)	B.E. (Civil), FIE, MICA, Qualified from the Defence Services Staff College	B.Sc., BE (Chem. Engg) Diploma in Industrial Engineering Proficiency in Boiler Operation Engineering
Date of appointment on the Board	1st June, 2005	28th February, 2015	29th June, 2011	1st June, 2005	30th March, 2009
Category of the Director	Promoter - Executive	Promoter – Non Executive	Non Executive-Independent	Non Executive-Independent	Non Executive-Independent
Area of expertise/ senior position held/ work experience	He is an industrialist. He has experience spanning over four decades in diversified fields such as consumer electronics and home appliances, oil and gas and power. He was the President of the Associated Chambers of Commerce and Industry in India and Electronic Industries Association of Marathwada. Presently, he is a Member of Advisory Committee of Pune University of Information Employment and Guidance and Advisor to the Government of Orissa for industrial development of Orissa..	She is an Industrialist with vast business experience.	He has over 35 years of experience and has worked with the Bank of Maharashtra. He was an Executive Director of Indian Bank and retired as the Chairman and Managing Director of Dena Bank. He is a member of Evaluation Committee of Maharashtra Airport Development Company Limited.	He has served as Consultant to ICICI Bank Limited (Upstream operations, Oil & Natural Gas); Member of Industrial Council of Arbitration; Chairman & Managing Director, ONGC Videsh Ltd.; President, Petroleum Sports Control Board; Chairman & Managing Director, Oil India Limited. He has also served with Indian Army and has vast Army profile to his credit.	He carries with him vast experience in the Technical fields. Amongst other positions, he has served as Executive Director of IDBI for 3 years in his total service of 28 years with IDBI.

(Contd...)

Particulars	Profile of the Directors				
Name of the Director	Mr. Venugopal N. Dhoot	Mrs. Ramabai Venugopal Dhoot	Mr. Anil Joshi	Maj. Gen. Sudhir Chintamani Nilkanth Jatar	Mr. Radheyshyam Dalchand Agarwal
Names of other directorships in Public Limited Companies in which the Director holds directorship	<ol style="list-style-type: none"> 1. Videocon Telecommunications Limited 2. Hindustan Oil Ventures Limited 3. Videocon Energy Limited 4. Jumbo Techno Services Private Limited 5. Senior Consulting Private Limited 	<ol style="list-style-type: none"> 1. Videocon International Electronics Limited 	<ol style="list-style-type: none"> 1. Unity Infraprojects Limited 2. Aplab Limited 3. GDA Trustee And Consultancy Limited 4. Commercial Engineers & Body Builders Co Ltd 	<ol style="list-style-type: none"> 1. Videocon Telecommunications Limited 2. Videocon International Electronics Limited 	<ol style="list-style-type: none"> 1. Ramco Industries Limited 2. Ramco Systems Limited 3. The Ramco Cements Limited 4. Elegant Marbles And Granite Industries Limited 5. Suryalata Spinning Mills Limited 6. Surya Lakshmi Cotton Mills Limited 7. Liberty Videocon General Insurance Company Limited
Names of the other Committees in which Chairman	Nil	Nil	<ol style="list-style-type: none"> 1. Aplab Limited (Audit) 2. Unity Infraprojects Limited (Audit) 	Nil	<ol style="list-style-type: none"> 1. The Ramco Cements Limited (Audit) 2. Ramco Industries Limited (Audit)
Names of other Committees in which Member	<ol style="list-style-type: none"> 1. Videocon Energy Limited (Audit) 2. Jumbo Techno Services Private Limited (Audit) 3. Senior Consulting Private Limited (Audit) 4. Videocon Telecommunications Limited (Audit) 	<ol style="list-style-type: none"> 1. Videocon International Electronics Limited (Audit) 	<ol style="list-style-type: none"> 1. Aplab Limited (Shareholders'/ Investors' Grievance) 2. Commercial Engineers & Body Builders Co Ltd (Shareholders'/ Investors' Grievance) 	<ol style="list-style-type: none"> 1. Videocon International Electronics Limited (Audit) 2. Videocon Telecommunications Limited (Audit) 	<ol style="list-style-type: none"> 1. Suryalata Spinning Mills Limited (Audit) 2. Surya Lakshmi Cotton Mills Limited (Audit) 3. Elegant Marbles And Granite Industries Limited (Audit)
Number of Shares held	89,575	14,097	Nil	Nil	Nil

DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the Twenty-Fifth Annual Report together with the Audited Accounts and Auditors' Report for the financial period ended on 31st December, 2014.

PERFORMANCE REVIEW

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

(₹ in Million)

Particulars	Period Ended 31st December, 2014 (18 months)	Period Ended 30th June, 2013 (18 months)
Net Revenue from Operations	189,676.03	181,572.75
Other Income	11,651.42	4,182.66
Total Income	201,327.45	185,755.41
Profit Before Finance Costs, Depreciation and Tax	45,093.02	34,246.52
Finance Costs	35,188.96	27,148.18
Depreciation and Amortisation	9,858.11	8,243.50
Profit/(Loss) Before Tax	45.95	(1,145.16)
Tax Expenses	15.55	(428.84)
Profit/(Loss) for the Period	30.40	(716.32)

The financial year of the Company was extended by a period of six months. Accordingly, the financial year under review comprises of a period of eighteen months commencing from 1st July, 2013 to 31st December, 2014.

OPERATIONS

CONSUMER ELECTRONICS & HOME APPLIANCES

The period brought delight to Consumer Electronics & Home Appliances Industry which saw signs of recovery after a very rough patch. Despite challenges in both internal and external environment, Consumer Electronics & Home Appliances Industry has shown growth in technically innovative products. Cashing on correct anticipation of consumer needs and innovative R & D and marketing, your Company was able to deliver a stable performance.

OIL & GAS

The Company continues to remain actively involved in Exploration & Production activities. The Company is exploring more and more opportunities in Oil and Gas sector. During the year under review, Videocon Mauritius Energy Limited has sold its 100% stake in Videocon Mozambique Rovuma 1 Limited ("VMRL") for a consideration of US\$ 2,475.00 Million. VMRL held 10% participating in the offshore Area 1 in Rovuma Basin in Mozambique (the "Offshore Area 1"), which has series of sizable natural gas discoveries.

During the period under review, the Company has announced various discoveries and explorations made by its wholly owned subsidiaries and/or joint ventures thereby adding to the hydrocarbon resources already established in these blocks. The details of discoveries are:

- **August, 2013** – Petrobras, the Operator of the BM SEAL – 11, has confirmed the presence of light hydrocarbons in the Appraisal Well, drilled in Farfan Discovery Area. The consortium will carry on the operations in the area to confirm the extent of hydrocarbons in place and characteristic of the reservoir conditions encountered.
- **October, 2013** – Petrobras, the Operator of the BM SEAL – 11 announced that it has completed the formation test in Well

(3-SES-176D), informally known as Farfan 1#. The test evaluated 30 meters of turbidite sandstones formation and confirmed good reservoir characteristics featuring excellent productivity of good quality oil.

- **November, 2013** – Anadarko, the Operator of BM – C- 30 Concession that Wahoo – 5 appraisal well has encountered more than 200 net feet of high quality pay in pre-salt reservoir.

After the balance sheet date, the following discoveries were announced:

- **January, 2015** - Petrobras, the Operator of the BM SEAL – 11 announced the discovery of new oil accumulation in Farfan area in the Sergipe basin. The results confirmed the light oil and gas discovery in Farfan area and presented the excellent permoporosity conditions in the turbidities reservoirs with 54 meters thickness.
- **February, 2015** - Petrobras, the Operator of the BM SEAL – 11 announced the drilling results of the third appraisal well 3-SES-186, located 103 km from the city of Aracaju and about 10 km from the discovery well "Farfan". The results confirmed the extension of the light oil reservoirs. In addition the well found presence of a new oil accumulation with a total thickness of 68 meters in shallower reservoirs.
- **April, 2015** - Petrobras, the Operator of the BM SEAL – 11 completed the formation test of well 3-BSRA-1286-SES located in BM SEAL – 11 concession in the SEAL – M- 426 Block in ultra-deep waters of the Sergipe Alagoas Basin. The results confirmed the presence of light oil and good productivity of reservoirs. This drilling identified two reservoir intervals of light oil and gas – the top thickness of 44 meters and the bottom 11 meters thick. The bottom zone is the new discovery of the area.

TELECOM

Videocon Telecommunications Limited (VTL), a subsidiary of the Company, is an Indian cellular service provider that offers GSM mobile services in India.

On 3rd March, 2013, VTL was awarded the Unified Licenses Access Services for six circles, namely, Bihar, Gujarat, Haryana, Madhya Pradesh & Chhattisgarh, Uttar Pradesh (East) and Uttar Pradesh (West) effective 16th February 2013, which are valid for a period of 20 years. VTL has also been allotted 5Mhz spectrum in 1,800 Mhz category in each of these six circles. VTL is providing commercial services.

POWER

The Company has commissioned three solar power projects viz., 5.75 MW solar Photovoltaic Power Project in Village Majra, District Warora, Maharashtra; 5.75 MW solar PV power project in Village Betwasia, District Jodhpur, Rajasthan has been commissioned by the Company through its step down subsidiary, Comet Power Private Limited; and 5.5 MW solar PV power project in Gujarat has been commissioned by the Company through Unity Power Private Limited (26% equity stake held by the Company). These solar projects are operating at full capacities and are generating electricity.

The Company's thermal power business consists of two 1,200 MW coal-fired thermal electricity power projects under construction, the Power Project in the state of Gujarat and the Power Project in the state of Chhattisgarh. These power projects are being undertaken by Pipavav Energy Private Limited and Chhattisgarh Power Ventures Private Limited respectively. These power projects are not yet commissioned.

INSURANCE

The Company entered into a joint venture with Liberty Mutual Group to setup a non-life insurance company, Liberty Videocon General Insurance Company Limited, on 16th December, 2010. Liberty Videocon General Insurance Company Limited is in the business of non-life insurance and providing insurance coverages for auto, fire, marine, engineering, liability & health. The Company currently holds 81.91% stake in the joint venture and the remaining equity is owned by Liberty Mutual Group.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 2.00 per equity share, to the Non-Promoter Shareholders (Public Shareholders). The equity dividend, if approved, by the shareholders, will entail a payout of ₹ 230.14 Million and dividend distribution tax of ₹ 46.02 Million.

Further, your Directors recommend dividend of 8% on the preference shares.

The dividend is tax free in the hands of the shareholders.

TRANSFER TO RESERVES

Your Directors propose to transfer ₹ 300.00 Million to the General Reserve, ₹ 153.30 Million to Capital Redemption Reserve and ₹ 2,054.24 Million to Bond/Debt Redemption Reserve.

FORFEITURE OF EQUITY SHARES

During the period under review, the Company has forfeited 12,794 partly paid equity shares which were allotted pursuant to the Rights Issue made in April, 2010.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company has transferred a sum of ₹ 2.67 Million in respect of unpaid /unclaimed dividend for the Financial Year 2006-07 to the Investor Education And Protection Fund (IEPF).

Dividend for the financial year ended 2007-08 and thereafter, which remain unclaimed for a period of seven years will be transferred to the IEPF. Members who have not encashed dividend warrant(s)/ instrument(s) for the said years are requested to obtain duplicate warrant(s)/demand drafts by writing to the Company's Registrar and Transfer Agent.

ISSUES/ALLOTMENT

During the period under review, the Company has allotted 15,700,000 underlying equity shares of face value of ₹ 10/- each, represented by 15,700,000 Global Depository Receipts (GDRs) at a price of US\$ 2.88 per GDR, equivalent to ₹ 181.61 per equity share, aggregating to US\$ 45.216 Million to LLIC S.a.r.l., on a private placement basis.

FIXED DEPOSITS

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

A statement of the particulars of employees required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is annexed and forms part of this Report.

CONSERVATION OF ENERGY

The greenest power is the power one doesn't have to produce. Your Company strongly believes that half the solution to conserve the energy is the smart use of power. Your Company has taken several steps to conserve energy through its "Sustainability" initiatives. The

Company strongly and religiously follows and practices the principle of 3Rs- Reduce, Reuse and Recycle. Being a large and responsible conglomerate, your Company has taken considerable steps to imbibe the practice of energy conservation and energy efficiency at all levels of management and has made a core part of the business strategy that takes accountability for every dimension of social, cultural, economic and environmental governance, creating sustainable value for all its stakeholders.

The move is consistent with energy conservation plans, and your Company believes it is the right way to go in achieving energy efficiency. Some of the specific measures undertaken are:

- Use of energy saving lighting arrangement in shop floor & on roads inside the manufacturing facilities by using LED lamps, Electronics Ballasts, CFL lamps, installation of transparent sheet which utilizes natural illumination and usage of more star rating equipment to save more energy.
- Use of motion sensors, pull chord switches and daily/weekly timer for better lighting control for stores, offices, washrooms and street lights.
- Use of natural air-ventilators which does not consume power.
- Usage of treated water from effluent generation for developing garden & plantation of trees at all the manufacturing units.
- Use of energy efficient submersible pump motors at all the manufacturing units.
- Improvement of per hour production to reduce power burning hours for the same production quantity.
- Awareness programs of energy savings & utilization of natural resources.
- Conducting energy saving training sessions for employees at all levels.
- Reduction in power consumption by taking opportunities of switching off during idle production hours i.e. tea & lunch timings etc.
- Replacement of pneumatic tools & equipments by energy efficient electrical tools & equipments and converted continuous power to intermittent power consumption.
- Usage of innovation tools, proper scheduling of preventive maintenance of machinery & equipments.
- Continuous monitoring of power usage throughout the year.
- Power Cost Optimization by Power Trading through Indian Energy Exchange.

The adoption of the above energy conservation measures have helped to curtail the proportionate increase in total energy usage consequent to overall increase in production. This has made it possible to maintain cost of production at optimum levels.

During the period under review:

- Your Company has been awarded prestigious National Energy Conservation Award for 2013 by the Bureau of Energy Efficiency (BEE), a part of the Central Electricity Authority, Ministry of Power. The award for 2013 was given by Honorable President of India. The award has been given in appreciation of the Company's continuous efforts in R & D and product up-gradation by implying new and innovative energy saving practices resulting to achievement in Energy Conservation in the category of BEE Star Labelled Appliances (Refrigerator) for strict adherence to the BEE standards set up by the Bureau of Energy Efficiency.
- Aurangabad unit has been awarded State level Award for Excellence in energy conservation and Management organised by MEDA (Maharashtra Energy Development Agency) in the year 2013.

RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

Research is to see what everybody else has seen, and to think what nobody else has thought. Every year, the Company invests significantly in research and development. The Research and Development (R & D) of the Company focuses on developing and commercializing the technologies of its businesses which are of strategic importance for future growth.

The Business is committed to achieve world benchmark quality besides expanding new product offerings by expediting R & D products. Further, the Company will continue to focus on improving its cost competitive position.

The Company's R & D is aligned towards developing and acquiring the technology, core competence and skill sets required for robust and timely delivery of the envisaged future product portfolio with leading product attributes across the range of Consumer Electronic & Home Appliances (CE & HA). For the CE & HA product range, the focus is on 1) stunning design 2) rich features and 3) energy efficient, which is value for money. All the R & D activities are undertaken taking into account the current and likely future regulatory norms while ensuring adherence to the prescribed energy regulations.

Your Company maintains the R & D facilities in India and China. The prime focus of Company's R & D is on developing existing technologies and product engineering innovation together with production efficiency and cost reduction. The Company's domestic technology center is located in Aurangabad, Maharashtra. The Company also seeks assistance from external research agencies, from time to time.

Your Company has launched number of products in Consumer Electronics Industry with a wide range of Refrigerators, Washing Machines, Air Conditioners, Televisions, etc.,

The R & D activities of the Company are focused towards:

- Maximizing value;
- Increasing productivity;
- Cost reduction; and
- Creating a high performance environment to promote innovation.

R & D activities carried out in various consumer electronics products and benefits derived from these activities:

- Introduction of new technology called 4K2K smart TV with gesture control, 3D Gaming, WiFi and N screen. With this introduction customer can experience gaming console, TV and internet on a single display unit.
- Introduction of large screen 85" 4K2K Smart TV.
- Introduction of various other segments of 4K2K smart TV sets.
- Addition of MHL – Mobile High Definition Link feature: This feature enables customer mirror MHL enabled mobile to TV and experience mobile screen on TV big screen.
- Addition of ARC – Audio Return Channel Feature: This feature enables customer to connect TV to Home theatre for enhanced digital audio experience through single HDMI Cable.
- Introduction of Super Narrow Bezel LED TV with colour options viz. Green/Orange/Red in 20"/24"/32"/40" Screen Size.
- Addition of N speaker feature: This enables customers to experience personalized audio of TV on mobile wirelessly.
- Introduction of India's 1st "5 Star (7 Star Level) BEE Rating Refrigerator". This DC refrigerator has lowest energy consumption.
- Introduction of India's 1st "Photosis Fresh" technology Refrigerator for keeping foods fresh for longer time.

- Introduction of widest range of Semi Automatic Machines in Industry from 6.0 kg to 9.0 kg capacity to cater to the needs of various segments of market and fulfilling requirements of wide spectrum of the consumers.
- Introduction of wide range of Fully Automatic & Front Load Machines from 5.5 kg to 7.8 kg capacity to meet the market requirements.

Future plan of action:

In near future, the Company shall continue to focus on environment friendly products and also focus efforts on new technologies which could offer better products in the domestic as well as international market. The Company has the following plans through R & D:

- Introducing of 4K2K Smart Curve TV with a screen size of 55"/65".
- Adding a V Green feature – This features helps customer to reduce the power consumption as well as protect eye sight based on ambient light conditions automatically.
- Adding new back light and processor technology for the natural colour reproduction.
- Adding a PVR – Personal Video Recorder feature in DDB platform –This feature will enable customer to record favourite program of d2h and can be watched at his/her convenient time.
- Increase in the market share and enhance the Brand Value.
- Bring in best features of various products together.
- Introduction of washing machines which are contemporary, user friendly, energy efficient, use lesser water and detergents and value for money.

During the period under review, the Company has incurred an amount of ₹ 53.66 Million, representing 0.03 % of the turnover, towards recurring R & D expenses.

HEALTH & SAFETY

The Company provides a safe and healthy workplace for its employees by establishing the right safety culture across the organisation. The senior leadership is fully committed to the ultimate goal of zero injury to its employees and all stakeholders who are associated with the Company's operations. Emphasis is laid on creating a participatory safety governance model.

Some of the measures and initiatives undertaken by the Company are:

- Release of Videocon Industries Safety Booklet for methodology for usage of Personal Protective Equipments while working in critical areas for e.g. Height Work, Hot Work, Electrical Work, Hazardous Chemical Unloading work, Confined space Work in Campus.
- Accident Monitoring Boards Display in each department, main entrance and maintenance of data of Accident for each department in Accident Status Matrix.
- Procurement of new fire extinguisher to replace Hydraulic Pressure testing.
- Installed Emergency Siren in each department and in the campus area.
- Installed Blowing Light Indicator with Siren for Electric Overhead Travelling Crane operation in Molding Shop & Tool Room in Campus.
- Stage wise Safety Posters Display in local language on shop floor for prevention of Accident.
- Renewal of fire NOC for Company's campus.
- Procurement of Safety equipments in campus like LPG gas detector, Road Convex Mirror, Fire blanket, Fire Bucket, First aid box & Breathing Apparatus set.

- Implementations of work permit system with availability of security guard for close monitoring.
- Periodic refresher training conducted for security guard regarding fire prevention & control for to enhance competency level.
- Conducting regular safety audit & mock drill as per calendar in the campus.
- Incident /Accidents investigation and reporting with root cause, corrective and preventive actions.
- Installation of first aid box & fire blanket at security check point for every department.
- Provide fire point at high hazardous area (Zone-0).
- Carried out HPT (Hydraulic Pressure Testing) of pressurized extinguisher as per Maharashtra Fire Prevention & Life Safety Measures Act.
- To speed up response time & handle emergency situation displayed list of onsite & offsite contact numbers at conspicuous places in plant.
- Displayed cautionary signs at high hazardous area to warn workers about imminent hazard dealt at site.
- Enhance road safety – displayed road convex mirror, speed limit board & guide lines for visitors.
- Regular training programs to all levels for on the job & off the job.
- At the entrance of the building display of emergency evacuation plans with location of fire extinguisher.
- Visualisation in the campus to access assembly point, first aid box & emergency exit door.
- Displayed MSDS (Material Safety Data Sheet) at chemical storage area as per rule 73-M from MFR 1963.
- Displayed UN classification boards at Zone - 0 areas.
- 100 % compliance with legal requirement of MPCB (Maharashtra Pollution Control Board), DISH (Directorate of Industrial Safety & Health) and Chief Fire Office & CCOE Chief Controller of Explosives (Diesel, FO Storage).
- Celebration of Safety promotional activities like – National safety week & fire service week to create awareness among the workers.
- Conducting the Safety Committee Meetings (SCM) in every month to strengthen the Safety norms.
- Availability of fire officer round the clock in the campus to handle the Emergency.
- Availability of Fire Blankets in the shop floor to handle the fire emergency.
- Availability of well-equipped Occupational Health Center (OHC) & ambulance with all medical devices, in case of emergency.

ENVIRONMENTAL PROTECTION

Your Company truly believes that environmental care is the most profitable investment. During manufacturing process, the process causes noise pollution and discharges waste water, exhaust gas, dust and solid wastes. In order to comply with Indian laws and regulations in respect of environmental protection, the Company has implied internal environmental protection control and monitoring measures.

The Company has established an internal environmental management system. The industrial water and solid wastes (slurry) emitted during the manufacturing processes are recycled and are utilised to make bricks, which are then used in building construction.

The Company has also formed environmental protection committee at its glass shell manufacturing facility in Bharuch and has planted teak and mahogany plants around the glass shell manufacturing facility in order to improve the environment, reducing dust and improving air quality.

The Company has set up a number of specialized environmental protection management divisions and environment monitoring teams in its various manufacturing units and offices. The Company also practices the concept of 'Resource Productivity'. The Company aims at drive-down of costs by reducing waste and pollution and by creating opportunities for growth through process and product innovations.

The following are some of the continuous measures taken by the Company for environment protection:

- Installation of New ETP Plant (3M3/Day) in AC Paint shop area to utilize paint shop water for gardening.
- Received all Local NOCs requirements of C5 Project for CCOE Approvals.
- Installed Fiber Roof Sheet on shop floor for use of natural light in shop floor.
- Change Old Manifest System in LPG gas bank in canteen area to reduce LPG consumption in Canteen.
- Repaired old Solar System in canteen & use of solar water for Rice cooking & Tea making.
- Boiler blow down water collected in Tank and connection of ETP for treatment & treated water use for gardening in campus.
- Renewal of contract of Hazardous Waste Disposal of the Company with Maharashtra Enviro Power Limited (MEPL).
- Implementation of 3R system – Reduce, Reuse & Recycle.
- Certification of ISO – 14001 for Environmental Management System.
- Tree plantation done on different events in Campus.
- Regular Air & Water Monitoring as per (NAAQS –2010) Standards.
- Celebration of world environment day, to increase the mass awareness among the employees.
- Maintain ETP STP outlet water parameter within limit as per CPCB (Central Pollution Control Board).
- Disposal of Hazardous & Non-Hazardous waste to the authorized agency (Authorized by pollution control authority) as per statutory requirements.
- Conducting ISO, SGS Sustainability audit periodically.
- Arrangement of PUC Camp in the campus to increase the awareness among the employees.
- Arrangements of Separate Location in scrap yard for Disposal of Hazardous Waste & Display Category board of Hazardous Waste area.

The Company has formed 'Quality Circles' and 'Team of Experts' selected from the employees, who are engaged in the manufacturing activities, for time and motion study of the overall manufacturing process and who give suggestions on ways and means for conservation of energy and power and environment protection.

As a result of the same, there is an overall improvement in efficiency. The Company has also been able to reduce energy costs. However, the beneficial impact of the same on the cost cannot be quantified.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars of Foreign Exchange Earnings and Outgo during the financial period ended on 31st December, 2014 are set out hereunder:

(₹ in Million)

Particulars	Period ended 31st December, 2014 (18 months)	Period ended 30th June, 2013 (18 months)
Foreign Exchange Earnings (including reimbursement of expenses)	31,029.15	10,560.60
Foreign Exchange Outgo	33,088.62	26,193.13

INFORMATION TECHNOLOGY

Information Technology (IT) is vital and integral part of your Company. We have evolved our IT strategy and roadmap in line with our business strategy. Usage of IT is revolutionising the rules of business, resulting in structural transformation across enterprise.

We are continuously upgrading our infrastructure by replacing old/obsolete Desktops/ Laptops/ Servers etc and also upgrading the connectivity backbone across enterprise. The robust infrastructure is the essential component of an enterprise and our management has given due focus towards this.

We have initiated business process transformation program in direct coordination with our senior leadership team. This exercise is transforming our processes as per the Industry's best business practices and helping us in strengthening our existing processes across the organisation.

We as an enterprise are fully focused on leveraging complete advantage of our SAP system. We are continuously auditing our existing processes mapped in SAP, identifying the gaps and fulfilling the same across our organization. We are also using IT to the optimum benefits of our MIS users and decision makers. This whole exercise is helping us to be the leader in our space and helping us in reducing the cost, increasing our profit margins, bringing efficiency in our operations, building controls etc.

The digital revolution has entered into a new age that presents unprecedented challenges as well as tremendous business opportunities. We are continuously exploring new ways to deal with digital disruption and preparing a digital transformation strategy for our enterprise. We are transforming our customer's experience and operations to be the digital leader in our space. Your Company has revamped many of its existing infrastructure facilities and websites and also implemented many mobile apps to support its digital strategy. In addition to this, your Company has also made its strong presence felt on Social Media platforms.

Your Company has matured Sales Transformation & Enhancement Program (STEP) application, an innovative & customised in-house developed sales tool for providing day to day information required by sales force on the field. This tool helps in improving efficiency, enhance ability & productivity of sales force, leading to long-term business sustainability and customer delight.

Your Company is building excellent relationship with Suppliers. It has implemented Supplier Communication Portal for direct communication with its suppliers as per the business needs.

Your Company is riding on the technology wave and improving IT systems in complete sync with organization's goals.

CORPORATE SOCIAL RESPONSIBILITY

Your Company believes that the business existence comes from society therefore it is important "To improve the quality of life of the communities we serve through long-term stakeholder value creation". The Company takes on Corporate Social Responsibility (CSR) as part of its business viz. health, education, sports, sustainable livelihoods, drinking water, renewable energy (solar street lights), employability training and ethnicity.

The Company is keen to play "Save the environment" responsibility and to fulfill this responsibility it prorogates, consumer awareness to dispose of E-Waste through proper re-cycler channel.

The Company has taken this responsibility by participating in school and enriching students' talents in many competitive activities.

Another common approach towards social responsibility is community based development where the Company is committed to provide safe /energy efficient and environment friendly product.

The Company has constituted CSR Committee which shall monitor the Corporate Social Responsibility Policy. Other details of the Committee are given in the Corporate Governance Report.

BOARD OF DIRECTORS

During the period under review, Mr. S. P. Talwar ceased to be the Director of the Company w.e.f. 9th August, 2013, on account of his sad demise. The Board would like to express its deep condolence towards the sad demise of Mr. S. P. Talwar, and also expresses its heartfelt gratitude towards the contribution made by Mr. S. P. Talwar during his tenure.

Further, Mr. S. Padmanabhan, Director of the Company resigned from the Board of the Company w.e.f. 25th March, 2014 and Mr. Ravindranath Bannanje - Nominee of IDBI Bank Limited ceased to be the Director of the Company w.e.f. 26th August, 2014, consequent to withdrawal of his nomination by IDBI Bank Limited.

The Board places its sincere appreciation towards the valuable contribution received from Mr. S. Padmanabhan and Mr. Ravindranath Bannanje, during their tenure as the Directors of the Company.

During the period under review, Mr. Subroto Gupta was co-opted as a Nominee Director of IDBI Bank Limited on the Board of the Company w.e.f. 14th November, 2014.

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 independent directors and in case the company does not have a regular non-executive Chairman, at least half of the Board should comprise 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 thought it fit to appoint Mr. Radheyshyam Dalchand Agarwal, Maj. Gen. Sudhir Chintamani Nilkanth Jatar and Mr. Anil Joshi 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 approved and made to continue appointment of Mr. Radheyshyam Dalchand Agarwal, Maj. Gen. Sudhir Chintamani Nilkanth Jatar and Mr. Anil Joshi as Independent Directors 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. Radheyshyam Dalchand Agarwal, Maj. Gen. Sudhir Chintamani Nilkanth Jatar and Mr. Anil Joshi (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 they are 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 each of Mr. Radheyshyam Dalchand Agarwal, Maj. Gen. Sudhir Chintamani Nilkanth Jatar and Mr. Anil Joshi for the office of Directors of the Company.

In the opinion of the Board of Directors, Mr. Radheyshyam Dalchand Agarwal, Maj. Gen. Sudhir Chintamani Nilkanth Jatar and Mr. Anil Joshi, the Independent Directors, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and they are independent of the Management.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Radheyshyam Dalchand Agarwal, Maj. Gen. Sudhir Chintamani Nilkanth Jatar and Mr. Anil Joshi as Independent Directors and accordingly recommend their appointment/confirmation.

Changes after the balance sheet date: Pursuant to the provisions of Section 149 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mrs. Ramabai Venugopal Dhoot was appointed as an Additional Director (Promoter, Non-Executive) of the Company w.e.f. 28th February, 2015.

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 Mrs. Ramabai Venugopal Dhoot for the office of Director of the Company. The Board recommends her appointment.

A brief profile of Mr. Radheyshyam Dalchand Agarwal, Maj. Gen Sudhir Chintamani Nilkanth Jatar, Mr. Anil Joshi and Mrs. Ramabai V. Dhoot, nature of expertise in specific functional area, name of other public companies in which they hold 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 Exchanges is appended to the Notice.

LISTING

The equity shares of your Company are listed on the BSE Limited and The National Stock Exchange of India Limited. The Global Depository Receipts and Foreign Currency Convertible Bonds issued by your Company are listed on the Bourse de Luxembourg and Singapore Exchange Securities Trading Limited, respectively.

SUBSIDIARY COMPANIES

During the period under review, Videocon Estelle Limited, Videocon Ivory Limited, Videocon Mozambique Rovuma 1 Limited and Unity Power Private Limited ceased to be the subsidiaries of the Company.

As on 31st December, 2014, your Company had 25 subsidiaries (including step down subsidiaries) viz. Applied Energy Private Limited, Chhattisgarh Power Ventures Private Limited, Comet Power Private Limited, Datacom Telecommunications Private Limited, Indigo Energy Private Limited, Jumbo Techno Services Private Limited, Liberty Videocon General Insurance Company Limited, Middle East Appliances LLC, Percept Energy Private Limited, Pipavav Energy Private Limited, Proficient Energy Private Limited, Prosperous Energy Private Limited, Senior Consulting Private Limited, Videocon Australia WA-388-P Limited, Videocon Electronics (Shenzhen) Limited, Videocon Energy Limited, Videocon Energy Brazil Limited, Videocon Global Limited, Videocon Hydrocarbon Holdings Limited, Videocon Indonesia Nunukan Inc., Videocon International Electronics Limited, Videocon JPDA 06-103 Limited, Videocon Mauritius Energy Limited, Videocon Oil Ventures Limited and Videocon Telecommunications Limited.

Ministry of Corporate Affairs, Government of India, vide its General Circular No(s). 2/2011 and 3/2011 dated 8th February, 2011 and 21st February, 2011, respectively, has granted exemption from attaching the Annual Accounts and other documents of the subsidiary companies with the Balance Sheet of the holding company, subject to fulfillment of certain conditions stipulated therein. The Board of Directors have accorded their consent for not attaching the Balance Sheet of the subsidiary companies. The consolidated financial statements of the Company and all subsidiaries duly audited by its statutory auditors are presented in the Annual Report. The consolidated financial statements have been prepared in strict compliance with applicable Accounting Standards and where applicable, Listing Agreement, as prescribed by the Securities and Exchange Board of India.

Further, the following information in aggregate for each subsidiary including subsidiaries of the subsidiaries has been annexed to the consolidated balance sheet:-

(a) capital (b) reserves (c) total assets (d) total liabilities (e) investment (except in case of investment in the subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation and (j) proposed dividend.

The Company undertakes that the Annual Accounts of the subsidiary companies and the related detailed information of the subsidiary companies shall be made available to the shareholders of the holding and subsidiary companies seeking such information at any point of time. The Annual Accounts of the subsidiary companies shall also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

CONSOLIDATED FINANCIAL STATEMENTS

The Audited Consolidated Financial Statements, based on the Financial Statements received from the subsidiaries, associates and joint ventures, as approved by their respective Board of Directors, have been prepared in accordance with the requirements of Accounting Standard 21 on "Consolidated Financial Statements", Accounting Standard 27 on "Financial Reporting of Interests in Joint Ventures" and Accounting Standard 23 on "Accounting for Investments in Associates in Consolidated Financial Statements."

CASH FLOW STATEMENT

The Cash Flow Statement for the period ended 31st December, 2014, in conformity with the provisions of Clause 32 of the Listing Agreement entered with the Stock Exchanges, is annexed hereto.

AUDITORS

In terms of Section 139 of the Companies Act, 2013 read with the Rules made thereunder, a company can appoint or re-appoint an audit firm as an Auditor of the Company for a maximum of two terms of five consecutive years.

As per Rule 6 of Companies (Audit and Auditors) Rules, 2014 the term for which the Auditors have already acted as Auditors shall be taken into account for calculating tenure of maximum ten years.

M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai (Firm Registration No. 105049W) and M/s. Kadam & Co., Chartered Accountants, Ahmednagar (Firm Registration No. 104542W), have completed more than ten years of their appointment as the Auditors of the Company. Therefore, in terms of the provisions of Section 139 of the Companies Act, 2013 read with the Rules made thereunder, M/s. Khandelwal Jain & Co., and M/s. Kadam & Co., can be re-appointed as the Auditors of the Company for a further period of three years, i.e., from the conclusion of this Annual General Meeting i.e. the 25th Annual General Meeting until the conclusion of the 28th Annual General Meeting.

M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai and M/s. Kadam & Co., Chartered Accountants, Ahmednagar, have confirmed their eligibility and willingness to accept the office.

The Board recommends their re-appointment for a term of three years from the conclusion of this Annual General Meeting i.e. the 25th Annual General Meeting until the conclusion of the 28th Annual General Meeting (subject to ratification of the appointment by the Members at every Annual General Meeting held after this Annual General Meeting) on such remuneration as may be fixed by the Board of Directors of the Company.

AUDITORS' REPORT

The Statutory Auditors of the Company have submitted Auditors' Report, which have certain Qualifications on the Standalone Financial Statements for the period ended on 31st December, 2014.

Management's Explanation to the Auditors' Qualifications:

a) In respect of Point No. 4 of the Auditor's Report on Standalone Financial Statements for the period ended 31st December, 2014,

regarding the extent of realisability of investments made in and advances given to Videocon Telecommunications Limited (VTL), the subsidiary and the consequential effect of the above on assets and liabilities as at 31st December, 2014, the explanation of management is as under:

As mentioned in Note No. 40, to the financial statements, the Company has, directly and through its subsidiaries, made investments aggregating to ₹ 65,002.03 Million and also given advances of ₹ 340.46 Million to Videocon Telecommunications Limited (VTL), the subsidiary. The licenses awarded by the Department of Telecommunications (DoT) to VTL to provide Unified Access Services (UAS) in 21 circles in India w.e.f. 25th January, 2008, were quashed by the Hon'ble Supreme Court of India, vide its order and judgment dated 2nd February, 2012. Subsequently, VTL participated in the auction conducted by DoT and has been awarded the Unified Licenses (Access Services) for 6 circles with effect from 16th February, 2013, which are valid for a period of 20 years. VTL has also been allotted spectrum in these 6 circles. VTL is continuing its commercial operations.

VTL has been continuously incurring losses and has huge accumulated losses as at 31st December, 2014. The ability of VTL to continue as a going concern is substantially dependent on its ability to fund its operating and capital expenditure requirements. The management is confident of mobilizing the necessary resources for continuing the operations of VTL as per the business plan.

COST AUDITOR

The Central Government has directed, vide various Orders to conduct a Cost Audit in respect of the specified products viz.,

1. Electrical and Electronic Equipments or Appliances;
2. Machinery and Mechanical Appliances;
3. Glass and Glass Product;
4. Electrical Energy;
5. Petroleum Oils – Crude; and
6. Petroleum Gases.

The Board of Directors of the Company have accorded its approval for appointment of Mr. Jayant B. Galande, Cost Accountant in Whole-Time Practice, Aurangabad (Membership Number 5255) as the Cost Auditor of the Company, to conduct Audit of the Cost Accounting Records maintained by the Company for the financial year commencing on 1st January, 2015 and ending on 31st December, 2015, subject to the approval of Central Government.

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 ₹ 1,00,000/- (Rupees One Lac Only) plus applicable service tax and out of pocket expenses payable to the Cost Auditors for financial year commencing on 1st January, 2015.

In compliance with the provisions of The Companies (Cost Audit Report) Rules, 2011 and General Circular No. 15/2011 issued by Government of India, Ministry of Corporate Affairs, Cost Audit Branch, we hereby submit that the Company has filed the Cost Audit Report for the financial period ended 30th June, 2013 on 24th December, 2013 (due date 27th December, 2013). As regards financial period ended on 31st December, 2014, the due date for filing the Cost Audit Report is 29th June, 2015 and the Company shall file the same on or before due date.

COMMITTEES OF THE BOARD

Pursuant to the provisions of the Companies Act, 2013 and provisions of the Listing Agreement, the Company has constituted following Committees:

Audit Committee

Nomination and Remuneration Committee

Stakeholders' Relationship Committee

Corporate Social Responsibility Committee

Risk Management Committee

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report, highlighting the performance and prospects of the Company's business, forms part of the Annual Report.

CORPORATE GOVERNANCE

As required under Clause 49 of the Listing Agreement entered with the Stock Exchanges, Corporate Governance Report forms part of this Report. Your Company is in full compliance with the requirements and disclosures that have to be made in this regard. A certificate from the Statutory Auditors of the Company confirming compliance of the Corporate Governance is appended to the Report on Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the Annual Accounts for the period ended 31st December, 2014, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st December, 2014 and of the profit of the Company for the period ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

ACKNOWLEDGEMENT

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

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

**For and on behalf of the Board of Directors of
VIDEOCON INDUSTRIES LIMITED**

**VENUGOPAL N. DHOOT
CHAIRMAN & MANAGING DIRECTOR
DIN: 00092450**

Place: Mumbai

Date: 15th May, 2015

ANNEXURE TO DIRECTORS' REPORT

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AS AMENDED AND FORMING PART TO THE DIRECTORS REPORT FOR THE PERIOD ENDED 31ST DECEMBER, 2014

Name of Employee	Designation	Remuneration (in ₹)	Qualification	Age (Years)	Experience (Years)	Date Of Joining	Name Of the Last Employer	Position (Designation) In Last Organisation
Abhijit Kotnis	Vice President	15,417,625	B.E. (Electronics)	46	24	01.04.2009	VDC, Technologies, Spa., Anagni., Italy	Factory Operational Head
Anil Arora *	Associate Vice President	2,272,361	B.Sc	48	25	12.11.2009	LG Electronics India Limited	BGMH
A.K.Modani	Senior Vice President	14,439,006	B.Com., C.A., C.S.	51	31	16.11.1989	Shree Digvijay Cement Co.Limited	Finance Executive
Amitabh Tiwari *	Vice President	7,832,411	M.B.A.	51	24	17.12.2013	Toshiba India Private Limited	Vice President
Arun Pal	Vice President	11,454,448	M.B.A.	42	19	04.06.2010	Samsung India Electronics Private Limited	Deputy General Manager
Chandramani Singh	Vice President	20,199,986	M.A., PGDBM	46	18	05.12.2008	Arron Engineering	Chief Executive Officer
Dr. G.C.Naik	Vice President-Technical	10,414,153	Ph.D, M.Tech (Petroleum Exploration), M.Sc. Tech (Applied Geology) Senior Management Program (SMP) from IIM	56	31	19.04.2007	Oil & Natural Gas Corporation Limited	Chief Geologist
Girish Shah	Associate Vice President	11,205,080	B.E. (Electronics), M.B.A.	51	28	29.12.2008	Samsung India Electronics Private Limited	General Manager - Manufacturing
H.S. Bhatia *	Chief Marketing Officer	3,888,935	M.B.A.	52	26	10.08.2011	Bharti Airtel Limited	Chief Operating Officer
Jerold Chagas Pereira	Vice President	15,012,853	B.Com, M.B.A.	44	17	19.08.2009	DLF Retail Developers Limited	Senior Vice President
N.Krishnaiah	Vice President-Geosciences	12,016,758	Msc (Physics)	62	35	02.02.2009	Cairn India Limited	DGM (Geoscience)
Rahul Sethi	Vice President	15,346,700	B.Com.	63	40	01.02.1987	Gedor Limited	Commercial Manager
Rajendra Dunganwal *	Sales Head	6,773,500	F.C.A.	53	26	01.09.2012	Next Retail India Limited	Associate Vice President
Rash Behari Gargjeya	Senior Vice President	10,678,706	B.E., M.B.A.	62	36	13.02.2012	Symphony Limited	President
Sandeep Tyagi *	Vice President	7,814,713	B.A., M.B.A.	48	10	27.09.2012	Haier Appliances (India) Private Limited	Director - HR
Sanjeev Bakshi *	Vice President	6,616,738	B.E., M.B.A.	44	17	14.01.2014	Voltas Limited	Senior General Manager
Shekhar Jyoti	Vice President	16,734,135	B.Com, M.B.A.	52	31	22.01.1986	Macotax Consultant Private Limited	Vice President
Sunil Kumar Jain	Senior Vice President	20,013,660	M.com, ICWAI, C.S.	47	22	01.04.2010	Bharat Business Channel Limited	Senior Vice President
Sunil Tandon	Senior Vice President	12,699,941	PGDBM	53	26	01.07.2012	Videocon Telecommunication Limited	Senior Vice President
T. Shankar	Vice President Geophysics-IIWS	10,626,422	Msc (Tech) Geophysics	53	29	06.06.2007	Oil & Natural Gas Corporation Limited	Chief Geophysicist

(a) Remuneration includes Basic Salary, Ex-Gratia, H.R.A., Marketing Allowance, Special Allowance, C.A., L.T.A., Leave Encashment, Medical reimbursement and Contribution to Provident fund.

(b) The Employees are in whole-time employment of the Company and the employment is contractual in nature.

(c) None of the employees listed above is a relative of any of the Directors of the Company.

* Part of the period

CORPORATE GOVERNANCE REPORT

(As required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Effective Corporate Governance is the key element ensuring investor's protection; providing finest work environment leading to highest standards of management and maximization of everlasting long-term values. Your Company believes in the philosophy on practicing Code of Corporate Governance that provides a structure by which the rights and responsibility of different constituents such as the board, employees and shareholders are carved out.

Corporate Governance is not merely compliance; it is something your Company fundamentally believes in.

Your Company's philosophy on Corporate Governance sets the goal of achieving the highest level of transparency, accountability and equity in all spheres of its business activities, operations and in all its dealing with the shareholders, employees, the government and other parties.

The Company's philosophy on Corporate Governance is based on:



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

Your Company is in compliance with all the requirements of the Code of Governance, enshrined in Clause 49 of the Listing Agreement.

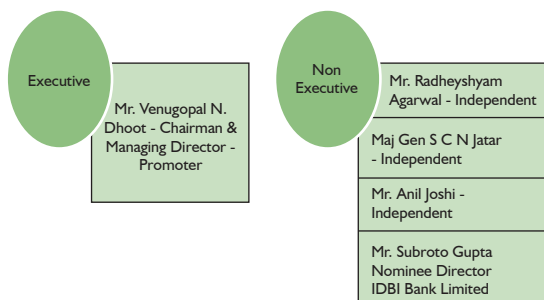
BOARD OF DIRECTORS

The Board of Directors of the Company comprises of eminent persons having versatile experience in diversified fields including Finance, Management, Technical, Administration etc.

• Composition of Board as on 31st December, 2014:

The Board of Directors of the Company comprises of Executive and Non-Executive Directors. The Chairman is an Executive Director.

As on 31st December, 2014, the composition of the Board of Directors of the Company meets the stipulated requirements of Clause 49 of the Listing Agreement of the Stock Exchanges in the following manner:



In all, there were 5 Directors, including 3 Independent Directors and a Nominee Director as on 31st December, 2014. Except for Mr. Anil Joshi who is a Non-Executive Chairperson in Commercial Engineers & Body Builders Co. Ltd., none of the other Directors hold chairmanship on the Board of any other Public Companies.

• Number of other Boards or Board Committees in which a director is a member or chairperson:

Particulars	Name of the Director							
	Mr. Venugopal N. Dhoot	Mr. S Padmanabhan (upto 25.03.2014)	Mr. Radheyshyam Agarwal	Mr. S P Talwar (upto 09.08.2013)	Maj. Gen. S. C. N. Jatar	Mr. Anil Joshi	Mr. B Ravindranath (Nominee Director - IDBI Bank Limited (upto 26.08.2014)	Mr. Subroto Gupta (from 14.11.2014)
Directorship	6	10	7	8	2	4	5	1
Committee Chairmanship	-	-	2	1	-	2	2	-
Committee Membership	4	5	3	6	2	2	1	-

- Directorship held by Directors does not include any alternate directorships, directorships in Foreign Companies, directorships in Companies incorporated under Section 25 of the Companies Act, 1956 and Private Limited Companies.
- Committee chairmanship and membership is taken into account of only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies, as per Clause 49 of the Listing Agreement.
- Other Directorship(s), Company Chairmanship(s), Company Membership(s) of Mr. S Padmanabhan, Mr. S P Talwar and Mr. B Ravindranath is/are based on the disclosure submitted at the beginning of the period under review. As regards, other directors, it is as on 31st December, 2014.
- **Number of Board Meeting held, dates and attendance; including attendance at the last Annual General Meeting:** During the period under review, the Board met 7 times on 29.08.2013, 14.11.2013, 29.11.2013, 14.02.2014, 15.05.2014, 14.08.2014 and 14.11.2014.

Attendance

Name of the Director	No. of Board Meetings attended	Attendance at the last Annual General Meeting held on 28th December, 2013
Mr. Venugopal N. Dhoot	7	No
Mr. S Padmanabhan (upto 25.03.2014)	0	No
Mr. Radheyshyam Agarwal	7	Yes
Maj. Gen. S. C. N. Jatar	6	No
Mr. Anil Joshi	7	No
Mr. B Ravindranath (upto 26.08.2014)	6	No
Mr. Subroto Gupta (from 14.11.2014)	1	NA

- **Board Procedure:**

a) Background

With a view to institutionalize all corporate affairs and setting up systems and procedures for advance planning for matters requiring discussions, decisions by the Board, the Company has well defined guidelines and procedures for meetings of the Board of Directors and Committees thereof.

b) Scheduling and Selection of the Agenda items

The Company Secretary of the Company circulates the agenda of the meeting along with all the supporting documents to all the directors entitled to receive the same, to facilitate meaningful and quality discussions at the time of the meeting. The notices and agenda along with supporting documents are circulated well in advance.

c) Information placed before the Board Members

The information generally placed before the Board members *inter-alia* includes:

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly/Annual results of the Company and its operating divisions or business segments;
- Minutes of the meetings of Audit Committee and other Committees of the Board;
- Notice of Disclosure of Interest;
- The information on recruitment and remuneration of senior offices just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Material important litigations, show cause, demand, prosecution notices and penalty notices, if any and status updates;
- Sale of material nature of investments, subsidiaries and assets, which are not in the normal course of business;
- Establishment, operations and set up of Joint Venture, Subsidiary or Collaboration etc.;
- Investment/Divestment of Joint Ventures, Subsidiaries;
- Acquisitions/Amalgamation/Re-organisation of business segments etc;
- Compliance Reports;
- Minutes of the Board Meetings, Annual General Meetings of Subsidiary Companies and significant transactions if any;
- Related Party Transactions;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions. Also any significant development in Human Resource and Industrial Relations;
- Quarterly details of foreign exchange exposure and the steps taken by the management to limit the risks of adverse exchange rate movement, if material;

- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc;
- Any issue, which involves possible public or product liability claims of substantial nature including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company; and
- Any other materially relevant information.

d) Recording Minutes of the Proceedings

Minutes of the proceedings of each Board/Committee/General Body Meetings are recorded. Draft minutes are circulated amongst all the members for their feedback/comments. The minutes of all the meetings are entered in the minutes book.

e) Follow up Mechanism

The guidelines for the Board/Committee meetings facilitate an effective post meeting follow-up, review and reporting process for the actions taken on decisions of the Board and the Committees.

f) Compliance

The Board periodically reviews the compliance reports to ensure adherence to all the applicable provisions of the law, rules and guidelines.

g) Code of Conduct

The Board has laid down a Code of Conduct for all directors and senior management of the Company, which has been posted on the website of the Company i.e. www.videoconworld.com. All directors and senior management personnel have affirmed compliance with the code for the period ended 31st December, 2014. A declaration to this effect signed by the Chairman and Managing Director is annexed to this report.

- **Brief profile of Directors seeking confirmation/appointment:**

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

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors of the Company have set up Committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each of the Committee is guided by well-defined scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board either for information or approval. Following are the details of the Committees as on 31st December, 2014:



1. AUDIT COMMITTEE:

In terms of the Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement, it is mandatory for the Company to establish an Audit Committee. The Company has established an Audit Committee.

Composition as on 31st December, 2014:

The Committee comprises of Independent Directors who are financially literate persons having vast experience in the area of finance, accounts and industry. The composition as on 31st December, 2014, was as under:

Name	Designation	Category
Mr. Radheyshyam Agarwal	Chairman	Independent
Maj. Gen. S.C.N. Jatar	Member	Independent
Mr. Anil Joshi	Member	Independent

During the period under review, the Audit Committee was reconstituted due to sad demise of Mr. S. P. Talwar on 9th August, 2013. Mr. Anil Joshi was co-opted as the member of the Audit Committee in place of Mr. S. P. Talwar and Mr. Radheyshyam Agarwal was elected as the Chairman of the Audit Committee.

Meetings and Attendance:

During the financial period under review, 8 meetings of the Committee were held on the following dates 29.08.2013, 14.10.2013, 14.11.2013, 29.11.2013, 14.02.2014, 15.05.2014, 14.08.2014 and 14.11.2014.

Name	Meetings Attended*
Mr. Radheyshyam Agarwal	8
Maj. Gen. S.C.N. Jatar	7
Mr. Anil Joshi	8

*Including participation through Audio Conferencing

The Statutory Auditors, Cost Auditors and the Head of Internal Audit attended and participated in the meetings, on invitation. The Company Secretary is the *de-facto* Secretary of the Committee.

Terms of reference and Scope of the Committee:

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

- a) Overall assessment of the Company's financial reporting process and the disclosure of its financial information and to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and fixation of the audit fee and also approval for payment for any other services rendered by the Auditors.
- c) Reviewing with management the annual financial statements before submission to the Board for approval, focusing primarily on:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices, and reasons for the same.
 - Major accounting entries involving estimates based on exercise of judgment by management.
 - Observations, if any, in the draft audit report.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Qualification in the draft audit report, if any.
 - Compliance with Listing Agreement and other legal requirements concerning financial statements.

- Any related party transactions *inter-alia* includes transactions of the material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large.
- d) Reviewing with the management the quarterly financial results before submission to the Board for approval.
 - e) Reviewing, with the management, the statement of utilization/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
 - f) Reviewing, with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems.
 - g) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - h) Discussion with internal auditors regarding any significant findings and follow up there on.
 - i) Reviewing the findings, if any, of any internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - j) Discussion with statutory auditors before the commencement of audit, on nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - k) Approval or any subsequent modification of transactions of the Company with related parties.
 - l) To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - m) Scrutiny of inter-corporate loans and investments.
 - n) Valuation of undertakings or assets of the Company, wherever it is necessary.
 - o) Evaluation of internal financial controls and risk management systems.
 - p) Financial Statements and Investments made by Subsidiaries.
 - q) To review the functioning of Whistle Blower Mechanism.
 - r) Approval of appointment of CFO (i.e. whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate.
 - s) Carrying out any other function which is mentioned in the terms of reference of the Audit Committee or such other function as may be required in terms of the provisions of Listing Agreement and/or the provisions of Companies Act, 2013.

The Committee also reviews:

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

- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

The Audit Committee is also vested with the following powers:

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

Whistle Blower Policy Mechanism

The Board has adopted a Whistle Blower Policy to promote reporting of any unethical or improper practice or violation of the Company's Code of Conduct or complaints regarding its accounting, auditing, internal controls or disclosure practices. It gives a platform to the whistle blower to report any unethical or improper practice (not necessarily violation of law) and to define processes for receiving and investigating complaints. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. More details are available on website www.videoconworld.com

2. NOMINATION AND REMUNERATION COMMITTEE:

During the period under review, in view of the amended Listing Agreement and provisions of the Companies Act, 2013, the nomenclature of the Committee was changed from "Remuneration Committee" to "Nomination and Remuneration Committee" and the scope of Committee was revised so as to bring in line with the amended listing agreement.

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

Composition of the Committee as on 31st December, 2014:

Name	Designation	Category
Maj. Gen. S.C.N. Jatar	Chairman	Independent
Mr. Anil Joshi	Member	Independent
Mr. Radheyshyam Agarwal	Member	Independent

During the period under review, the Nomination and Remuneration Committee was reconstituted due to sad demise of Mr. S. P. Talwar on 9th August, 2013. Mr. Anil Joshi was co-opted as the member of the Nomination and Remuneration Committee in place of Mr. S. P. Talwar.

Meetings and attendance:

During the financial period under review, 2 meetings of the Committee were held on 29.08.2013 and 15.05.2014

Name	Meetings Attended
Maj. Gen. S.C.N. Jatar	1
Mr. Anil Joshi	1
Mr. Radheyshyam Agarwal	2

Terms of reference and Scope of the Committee:

The terms of reference and scope of the Committee are represented below:

- Fixing & Reviewing the remuneration of Chief Executives and other senior officers of the Company;
- Recommending the remuneration including the perquisite package of key management personnel;
- Determining the remuneration policy of the Company;
- Recommending to the Board retirement benefits;
- Reviewing the performance of employees and their compensation; and

- Attending to any other responsibility as may be entrusted by the Board.

Remuneration Policy

The Company has formulated the remuneration policy. The details of this policy are available on the Company's website viz. www.videoconworld.com.

Performance evaluation criteria

During the period under review, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board/Key Management Personnel/Senior Management. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc.

The evaluation of the performance was on the basis of the contributions and suggestions made to the Board/Management with respect to financial strategy, business operations etc.

Familiarisation Programme for independent directors

In terms of the provisions of Clause 49 of the Listing Agreement, the Company has laid down a familiarisation program for the independent directors. The Familiarisation Program aims at helping the independent directors to understand the Company, its management, roles & responsibilities in the company, operations of the Company etc.

Accordingly, the Company has been following the practice which has helped its independent directors to equip themselves with the Company. The detailed program has been uploaded on the website of the Company viz. www.videoconworld.com.

Director's Remuneration:

- The Promoter Directors, Executive Directors, Non-Executive Non-Independent Directors, are not paid any sitting fees. Mr. Venugopal N. Dhoot, Chairman and Managing Director is entitled for remuneration as per his terms of appointment. However, he has not drawn any remuneration for the period ended on 31st December, 2014.
- The Independent Directors are paid only sitting fees for attending Board/Committee Meetings. The details of payment of sitting fee during the period under review are as follows:

Sr. No.	Name of the Director	Sitting Fees (₹)
1.	Mr. S. Padmanabhan (upto 25.03.2014)	90,000
2.	Maj. Gen. S.C. N. Jatar	320,000
3.	Mr. S. P. Talwar (upto 09.08.2013)	Nil
4.	Mr. Radheyshyam Agarwal	750,000
5.	Mr. Anil Joshi	450,000
6.	Mr. B. Ravindranath (IDBI Bank Limited) (upto 26.08.2014)	120,000
7.	Mr. Subroto Gupta (IDBI Bank Limited) (from 14.11.2014)	20,000

Stock Options:

The Company has not issued any Stock Options.

3. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

During the period under review, the nomenclature of the Committee was changed from "Shareholders'/Investors' Grievance Committee" to "Stakeholders' Relationship Committee" in terms of the requirements of the amended listing agreement and Companies Act, 2013.

Composition as on 31st December, 2014:

The composition of the Stakeholders' Relationship Committee of the Board of Directors as on 31st December, 2014, was as under:

Name	Designation	Category
Maj. Gen. S.C.N. Jatar	Chairman	Independent
Mr. Anil Joshi	Member	Independent
Mr. Radheyshyam Agarwal	Member	Independent

During the period under review, Mr. S. Padmanabhan resigned from the Board of Directors of the Company w.e.f. 25.03.2014. Consequent upon his resignation, he ceased to be a member of Stakeholders' Relationship Committee. Mr. Anil Joshi was co-opted as the member of Stakeholders' Relationship Committee in place of Mr. S. Padmanabhan.

Meetings and Attendance:

During the financial period under review, 8 meetings were held on the following dates 29.08.2013, 14.11.2013, 14.02.2014, 15.05.2014, 14.08.2014, 14.11.2014, 19.12.2014 and 22.12.2014.

Name	Meetings Attended*
Maj. Gen. S. C. N. Jatar	5
Mr. S. Padmanabhan (upto 25.03.2014)	-
Mr. Radheyshyam Agarwal	8
Mr. Anil Joshi	4

* Including participation through Audio Conferencing.

Compliance Officer:

Mr. Vinod Kumar Bohra, Company Secretary, is the Compliance Officer for complying with the requirements of the Listing Agreement with the Stock Exchanges in India and abroad.

Terms of reference and Scope of the Committee:

The Stakeholders' Relationship Committee plays an important role in acting as a link between the management and ultimate owners of the Company i.e., the shareholders.

The Committee has delegated the power of Share Transfer to Registrar and Share Transfer Agent, who processes the transfers. The Committee also looks after the redressal of investors' grievances and performance of the Registrar and Share Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services.

Scope of the Committee:

- Transfer of shares;
- Transmission of shares;
- Issue of Duplicate Share Certificates;
- Change of Status;
- Change of name;
- Transposition of shares;
- Sub-division of shares;
- Issue and Allotment of securities;
- Consolidation of Folios;
- Requests for Dematerialization/Rematerialization of shares; and
- Redressal of investor grievances.

The Committee also closely monitors compliance of the code of conduct for prevention of insider trading.

The power of share transfer has been delegated to M/s. MCS Limited, Registrar and Share Transfer Agent of the Company, who processes the transfers.

Share Transfer Details:

The number of Shares transferred during the period under review:

Sr. No.	Particulars	Equity
a)	Number of Transfers	846
b)	Average No. of Transfers per Month	47.00
c)	Number of Shares Transferred	13,197

Demat/Remat of Shares:

Sr. No.	Particulars	Equity
a)	Number of Demat Requests approved	2,639
b)	Number of Sub-committee Meetings held	75
c)	Number of Shares Dematerialized	41,556
d)	Percentage of Shares Dematerialized	0.01
e)	Number of Rematerialization Requests approved	2
f)	Number of Shares Rematerialized	7

Details of complaints received and redressed during the period ended 31st December, 2014:

During the period under review, the pending complaints at the beginning of the period were 7, the Company received 1,732 complaints during the period under review. 1,733 were redressed to the satisfaction of the shareholders. However, there were 6 complaints pending in respect of which the Registrar has sent interim responses to the Investors.

4. RISK MANAGEMENT COMMITTEE:

During the period under review, the Company has constituted the Risk Management Committee to monitor and review the risk management plan.

The Company has in place a comprehensive framework for risk management for assessments of risks and minimize their adverse impact on the activities of the Company. The same is displayed on the Company's website www.videoconworld.com.

Composition of the Committee:

The composition of the Committee as on 31st December, 2014, was as under:

Name	Designation	Category
Mr. Radheyshyam Agarwal	Chairman	Independent
Mr. Anil Joshi	Member	Independent
Maj. Gen. S. C. N. Jatar	Member	Independent

No meeting was held during the period under review.

5. FINANCE AND GENERAL AFFAIRS COMMITTEE:**Composition as on 31st December, 2014:**

Name	Designation	Category
Mr. Venugopal N. Dhoot	Chairman	Promoter-Executive
Mr. Anil Joshi	Member	Independent
Mr. Radheyshyam Agarwal	Member	Independent

During the period under review, there was a change in the composition of Finance And General Affairs Committee. Consequent to resignation of Mr. S Padmanabhan, he ceased to be a member of the Finance And General Affairs Committee. Mr. Anil Joshi was co-opted as the member of Finance And General Affairs Committee in place of Mr. S. Padmanabhan.

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

Meeting and Attendance:

During the financial period under review, the Committee met 43 times.

Name	Meetings Attended
Mr. Venugopal N. Dhoot	43
Mr. S. Padmanabhan (upto 25.03.2014)	8
Mr. Anil Joshi	10
Mr. Radheyshyam Agarwal	43

Terms of reference and Scope of the Committee:

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

6. RIGHTS ISSUE COMMITTEE:

Composition as on 31st December, 2014:

Name	Designation	Category
Mr. Venugopal N. Dhoot	Chairman	Promoter-Executive
Maj. Gen. S.C.N. Jatar	Member	Independent
Mr. Radheyshyam Agarwal	Member	Independent

During the period under review, there was a change in the composition of Right Issue Committee consequent upon resignation of Mr. S Padmanabhan from the Board of Directors w.e.f. 25.03.2014.

Meeting and Attendance:

During the financial period under review, 1 meeting was held on 28.08.2013.

Name	Meetings Attended
Mr. Venugopal N. Dhoot	1
Mr. S. Padmanabhan (upto 25.03.2014)	1
Maj. Gen. S.C.N. Jatar	-
Mr. Radheyshyam Agarwal	1

Terms of reference and Scope of the Committee:

The Rights Issue Committee is entrusted with various powers and authorities, from time to time to aid in speedy implementation of all the formalities in relation to Rights Issue made by the Company in April 2010.

7. RE-ORGANIZATION COMMITTEE:

Composition as on 31st December, 2014:

Name	Designation	Category
Mr. Venugopal N. Dhoot	Chairman	Promoter-Executive
Mr. Radheyshyam Agarwal	Member	Independent

During the period under review, the Re-organization Committee was reconstituted due to sad demise of Mr. S. P. Talwar on 9th August, 2013. Mr. Radheyshyam Agarwal was co-opted as the member of the Re- organization Committee in place of Mr. S. P. Talwar.

Meeting and attendance:

1 meeting was held on 29.08.2013 during the period under review. Mr. Venugopal N. Dhoot and Mr. Radheyshyam Agarwal, attended the meeting.

Terms of reference:

The said Committee was formed to re-organize and segregate various business segments of the Company with a view to ensure greater

focus to the operation of each of its diverse businesses, enhanced value for shareholders and improvement in the business prospects of the Company. The said Committee have the powers to engage and appoint legal, tax, financial and other consultants to advise and assist it in the above said matter and do all such acts, deeds and things, as may be required.

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As per the provisions of Section 135 of the Companies Act, 2013 and the rules made there under, every company having-

- network of ₹ 500 crores or more; or
- turnover of ₹ 1000 crores or more; or
- net profit of ₹ 5 crores or more

during any financial year, shall constitute a Corporate Social Responsibility (CSR) Committee, consisting of 3 or more directors, out of which atleast 1 director shall be an Independent Director.

Accordingly, during the period under review, the Company has constituted CSR Committee, which shall recommend the amount of expenditure to be incurred on such activities and monitor the Corporate Social Responsibility Policy of the Company.

Composition of the Committee:

The Composition of the Committee as on 31st December, 2014 was as under:

Name	Designation	Category
Mr. Venugopal N. Dhoot	Chairman	Promoter Executive
Mr. Radheyshyam Agarwal	Member	Independent
Mr. Anil Joshi	Member	Independent

No meeting was held during the period under review.

GENERAL BODY MEETINGS

- Location and time, where last three Annual General Meetings were held:

AGM	Date	Location	Time	Special Resolution Passed
22nd	29th June, 2011	14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad - 431 105	12.00 Noon	1 (One)
23rd	29th June, 2012	14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad-431 105	12.00 Noon	NIL
24th	28th December, 2013	14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad - 431 105	11.30 am	1 (One)

- Postal Ballot**

During the financial period under review, five Special Resolutions were passed through Postal Ballot, particulars of which are set out hereunder:

Resolution No.	Particulars of the Resolution Passed	Section of the Companies Act, 2013, under which the resolution was passed
1.	Authorised the Board of Directors of the Company to borrow money/moneys upto an amount not exceeding ₹ 75,000 Crores.	180(1)(c)
2.	Authorised the Board of Directors to sell, lease, mortgage, or otherwise dispose off the whole or substantially the whole of undertaking of the Company upto an amount not exceeding ₹ 75,000 Crores.	180(1)(a)
3.	Authorised the Board of Directors to make investments, extend guarantee, provide security, make inter-corporate loans upto an amount not exceeding ₹ 75,000 Crores.	186
4.	Authorized the Board of Directors of the Company, for Issue of Equity Shares or any other convertible instruments for an amount not exceeding ₹ 5,000 Crores, at an appropriate time, by way of Follow on Issue, Private Placement basis, Qualified Institutional Placement basis, American Depository Receipts (ADRs), Global Depository Receipts (GDRs), Foreign Currency Convertible Bonds (FCCBs) or any other mode or mechanism.	41, 42, 62 read with 71
5.	Alteration of Articles of Association	14

Procedure of the Postal Ballot

The Board of Directors of the Company had appointed Mrs. Gayathri R. Girish, Practicing Company Secretary, as Scrutinizer for conducting the Postal Ballot (physical & e-voting) process in a fair and transparent manner.

Notice of the Postal Ballot, together with a Statement setting out the material facts concerning each item of Special Business pursuant to the provisions of Section 102 of the Companies Act, 2013, Postal Ballot Form and self-addressed envelope, postage paid by the Company were dispatched to all the shareholders of the Company and all other persons entitled to receive the same. Further, the Company had also provided the e-voting facility to enable the shareholders to cast their votes electronically.

The procedure for postal ballot was as per Section 110 and other applicable provisions of the Companies Act, 2013 read together with Rule 22 of the Companies (Management and Administration) Rules, 2014.

Results were announced and resolutions were declared as passed on 12th September, 2014.

Voting Results of the Postal Ballot

Particulars	Number of Valid Votes Received	Votes in favour	% of voting in favour	Votes Against	% of voting Against	Abstain from Voting (No. of Shares)
Special Resolution under Section 180(1)(c)	221,855,538	221,589,643	99.88	265,854	0.12	41
Special Resolution under Section 180(1)(a)	221,855,538	221,587,629	99.88	267,728	0.12	181
Special Resolution under Section 186	221,855,538	218,417,173	98.45	3,438,324	1.55	41
Special Resolution under Sections 41, 42, 62 & 71	221,855,538	218,466,968	98.47	3,388,529	1.53	41
Special Resolution under Section 14	221,855,538	218,945,966	98.69	2,909,572	1.31	0

128 postal ballot forms including electronic voting representing 6,037 equity shares were rejected/invalid.

None of the businesses are proposed to be transacted at the ensuing Annual General Meeting which requires passing of a Special resolution through postal ballot.

DISCLOSURES

- Materially significant related party transactions i.e. the transactions of the Company of material nature with its promoters, directors/management, subsidiaries/relatives etc. that may have potential conflict with the interests of the Company at large.**

There are no transactions which may have potential conflicts with the interests of the Company at large. Transactions with related parties are disclosed in Note No. 45 of standalone financial statement(s) of the Annual Report.

The Policies for determining the "material subsidiary and the Policy on Related Party Transactions" are available on Company's website viz. www.videoconworld.com.

- Non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

Whole Time Member, Securities and Exchange Board of India ("SEBI"), had passed an interim ex-parte order dated 04th June, 2013 under Sections 11(1), 11(2)(j), 11(4) and 11(B) of the Securities and Exchange Board of India Act, 1992, read with Section 12A of the Securities Contracts (Regulation) Act, 1956 in relation to the compliance by listed companies with the requirement of Minimum Public Shareholding (MPS) against various companies and their promoters, directors including Videocon Industries Limited ('the Company') and its promoters and directors, in relation to the non-compliance with the requirement of MPS. The Company

along with its promoters and directors had filed its reply submitting that the Company was compliant with the MPS norms till March 05, 2013. The promoters'/promoter group of the Company acquired 49,75,056 shares, representing 1.56% of the outstanding share capital of the Company, through secondary market on different dates between December 31, 2012 and May 23, 2013. However, due to such acquisition, the public shareholding of the Company fell below 25%. The acquisition has been made by the promoters'/promoter group of the Company due to an understanding that the computation of promoter holding is with reference to the outstanding share capital. The shares held by the custodians against depository receipts issued overseas were included for the purpose of determining public shareholding. As the public shareholding of the Company fell below 25% on March 05, 2013, under Rule 19A(2), the Company is under obligation to bring back the public shareholding at 25% within twelve month i.e. on or before March 04, 2014.

Notwithstanding the submission, in order to comply with the MPS requirements, the Company and its promoters'/promoter group had decided to adopt the method of Offer for Sale (OFS). The promoters'/promoter group of the Company then made an OFS on 24th September, 2013 and sold 18,00,000 equity shares in order to achieve MPS requirements. As a result the shareholding of the promoters'/promoter group of the Company, post OFS stood at 74.95% and the public shareholding stood at 25.05%. The Company filed its additional reply on 30th September, 2013. In response, an opportunity of personal hearing was afforded to the Company and considering the facts Whole Time Member, SEBI, vide its order dated 22nd November, 2013, vacated the directions issued vide the interim order dated 4th June, 2013, against the Company, its directors, promoters and promoter group, with immediate effect.

- **Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee.**

The Company has implemented Whistle Blower Policy and it is hereby affirmed that no personnel have been denied access to the Audit Committee.

- **Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.**

The Company has constituted Corporate Social Responsibility Committee, the details of which are captured in the section Committees of the Board of this Report.

MEANS OF COMMUNICATION

The Company regularly intimates its financial results, audited/limited reviewed, to the Stock Exchanges, as soon as the same are taken on record/approved. These financial results are published in the Financial Express/ The Free Press Journal and Loksatta, English and Marathi language newspapers, respectively. These results are not distributed/sent individually to the shareholders.

In terms of the requirements of Clause 52 of the Listing Agreement with the Stock Exchanges in India, the un-audited financial results as well as audited financial results, shareholding pattern of the Company and Corporate Governance Report are electronically submitted, unless there are technical difficulties and are displayed through Corporate

Filing and Dissemination System viz., www.corpfiling.co.in and www.listing.bseindia.com. Similarly, the un-audited financial results as well as audited financial results, shareholding pattern of the Company and Report on Corporate Governance are displayed on NEAPS (NSE Electronic Application Processing System) website i.e. www.connect2nse.com.

All important information and official press releases are displayed on the website for the benefit of the public at large. Analysts' Reports/ Research Report, if any, are also uploaded on the website of the Company. The Company's website can be accessed at www.videoconworld.com

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

GENERAL SHAREHOLDER INFORMATION

• ANNUAL GENERAL MEETING:

The Twenty-Fifth Annual General Meeting of the Company will be held as per the following schedule:

Day	Saturday
Date	27th June, 2015
Time	10.00 am
Venue	14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka: Paithan Dist.: Aurangabad - 431 105 (Maharashtra)

• FINANCIAL CALENDER FOR THE YEAR ENDED 31ST DECEMBER, 2015:

The financial calendar (tentative) shall be as under:

Financial Year	1st January, 2015 to 31st December, 2015
First Quarterly Results	On or before 15th May, 2015
Second Quarterly Results	On or before 14th August, 2015
Third Quarterly Results	On or before 14th November, 2015
Fourth Quarterly Results	On or before 29th February, 2016
Annual General Meeting for year ending 31st December, 2015	On or before 30th June, 2016

• DATE OF BOOK CLOSURE:

The date of Book Closure for the purpose of Annual General Meeting and determining the shareholders' entitlement for dividend shall be from Monday, 15th June, 2015 to Saturday, 27th June, 2015 (both days inclusive).

• DIVIDEND PAYMENT DATE:

Dividend on equity shares, if declared at the Annual General Meeting, is proposed to be paid on or around Thursday, 2nd July, 2015.

• LISTING ON STOCK EXCHANGES AND STOCK CODE:

The Equity Shares of your Company are listed on BSE Limited and The National Stock Exchange of India Limited (NSE). The names and addresses are given below:

Sr. No.	Name and Address of the Stock Exchanges	Stock Code
1	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 Web: www.bseindia.com	511389
2	The National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra East, Mumbai- 400 051 Web: www.nseindia.com	VIDEOIND

Global Depository Receipts of the Company are listed on:
Bourse de Luxembourg, 11 avenue, de la, Porte, NeuveL-2227, Luxembourg
Web: www.bourse.lu

Foreign Currency Convertible Bonds of the Company are listed on:
Singapore Exchange Securities Trading Limited, 2, Shanton Way, # 19-00, SGX Centre 1, Singapore - 068 804
Web: www.sgx.com

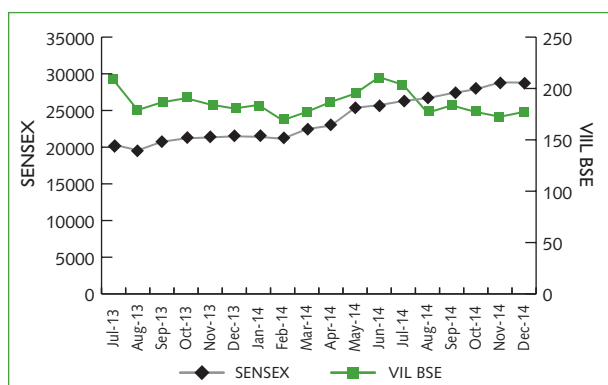
The Company has paid listing fees for the period 2015-2016 to both the Stock Exchanges and the Custodial Fees for the period 2014-2015 to National Securities Depository Limited and Central Depository Services (India) Limited.

• **MARKET PRICE DATA:**

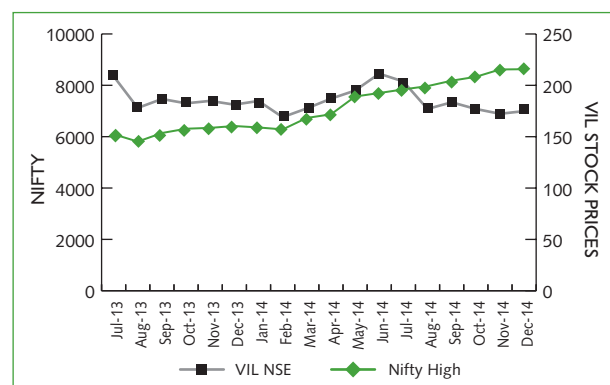
Average monthly high and Low prices at BSE and NSE are given below:

Month	BSE		NSE	
	High	Low	High	Low
July-13	208.15	163.75	208.90	163.30
August-13	179.00	165.15	178.00	165.30
September-13	186.55	169.00	186.70	168.70
October-13	190.50	171.55	182.50	171.80
November-13	184.45	167.80	184.85	167.50
December-13	180.50	153.00	181.20	157.00
January-14	184.00	161.00	184.80	161.70
February-14	169.00	160.25	169.00	161.15
March-14	177.25	158.00	177.50	159.10
April-14	186.90	159.80	187.00	159.10
May-14	195.00	156.15	194.90	157.00
June-14	211.05	174.85	211.35	174.30
July-14	203.50	167.55	203.75	167.30
August-14	176.40	161.85	177.00	161.30
September-14	183.50	162.05	183.50	162.25
October-14	177.15	161.10	177.00	160.80
November-14	172.50	159.90	172.30	160.15
December-14	177.20	154.95	174.90	154.60

A comparative chart showing Videocon Industries Limited (VIL) High versus BSE High:



A comparative chart showing Videocon Industries Limited (VIL) High versus NSE High:



• **REGISTRAR AND SHARE TRANSFER AGENT:**

The Company has recently appointed MCS Share Transfer Agent Limited as Registrar and Share Transfer Agent of the Company. Their contact details are as under:

MCS Share Transfer Agent Limited
002, Ground Floor, KashiramJamnadas Building
5, P D'mello Road
Masjid (East), Mumbai-400 009
Tel: +91-22-40206020/21/22/23/24 Fax: +91-22-40206021
E-mail: mcsta.mumbai@gmail.com

- SHARE TRANSFER SYSTEM:**

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

- DISTRIBUTION OF SHAREHOLDING:**

A) Shareholding Pattern as on 31st December, 2014:

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a percentage of (A + B)	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian	45	219,388,414	74.81	65.60
(2)	Foreign	-	-	-	-
	Sub-Total (A)	45	219,388,414	74.81	65.60
(B)	Public Shareholding				
(1)	Institutions	158	36,963,388	12.60	11.05
(2)	Non-Institutions				
	- Bodies Corporate	1,828	24,782,059	8.45	7.41
	- Individuals	306,528	11,875,166	4.05	3.55
	- Others	968	248,622	0.08	0.07
	Sub-Total (B)	309,482	73,869,235	25.19	22.09
	TOTAL (A) + (B)	309,527	293,257,649	100	87.68
(C)	Shares held by Custodians and against which depository Receipt have been issued				
(1)	Promoter and Promoter Group	0	0	0	0
(2)	Public	3	41,201,226	0	12.32
	Sub-Total (C)	3	41,201,226	0	12.32
	GRAND TOTAL (A) + (B) + (C)	309,530	334,458,875	0	100.00

B) Distribution of Shareholding as on 31st December, 2014:

Shareholding of Nominal Value	Number of Shareholders	% to the total number of shareholders	No. of Shares	Amount in ₹	% to Total value of Capital
Up to 5,000	306,270	98.95	6,100,626	61,006,260	1.82
5001 to 10000	1,584	0.51	1,235,439	12,354,390	0.37
10001 to 20000	738	0.24	1,080,996	10,809,960	0.32
20001 to 30000	252	0.08	641,867	6,418,670	0.19
30001 to 40000	119	0.04	421,463	4,214,630	0.13
40001 to 50000	108	0.03	508,672	5,086,720	0.15
50001 to 100000	152	0.04	1,118,522	11,185,220	0.33
100001 and above	307	0.10	323,351,290	3,233,512,900	96.68
Total	309,530	100.00	334,458,875	3,344,588,750	100.00

- DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

The Company's Equity Shares are under compulsory demat trading by all categories of investors. As on 31st December, 2014, 316,806,574 Equity Shares have been dematerialized which account for 94.72% of the total equity. The entire promoter holding is in dematerialized form.

- OUTSTANDING GDRs/ ADRs/WARRANTS OR CONVERSION INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ONEQUITY (31ST DECEMBER, 2014):**

The details of outstanding FCCBs and their likely impact on the equity upon conversion are tabulated as under:

Sr. No.	Particulars	FCCB of US\$ 200 Million (due on 16th December, 2015)
1	Principal Value of the FCCBs issued	US\$200,000,000
2	Principal Value of FCCBs converted into equity till 31st December, 2014	US\$ 5,600,000
3	Underlying equity shares issued pursuant to conversion of FCCBs as referred S. No. 2	1,058,035
4	Principal Value of FCCBs outstanding at the end of the period i.e. as on 31st December, 2014	US\$ 194,400,000
5	Underlying equity shares which may be issued upon conversion of FCCBs as referred in S. No. 4 hereinabove.	36,729,013

• **WARRANTS:**

There were no warrants issued during the year under review.

• **PLANT LOCATIONS:**

The Company has manufacturing facilities at the following locations:

1. 14 K.M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, Dist.: Aurangabad - 431 105, Maharashtra.
2. Village: Chavaj, Via Society Area, Taluka & Dist.: Bharuch - 392 002, Gujarat.
3. Vigyan Nagar, Industrial Area, Opp. RIICO office, Shahjahanpur, Dist.: Alwar - 301 706, Rajasthan.

• **ADDRESS FOR CORRESPONDENCE:**

Videocon Industries Limited

14 K.M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, Dist.: Aurangabad-431 105, Maharashtra
Tel: +91-2431-663933 (Secretarial Dept.) Tel: +91-2431-251501 Fax: +91-2431-251551
Email: secretarial@videoconmail.com

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

M/s. MCS Share Transfer Agent Limited
002, Ground Floor, Kashiram Jamnadas Building
5, P D'mello Road
Masjid (East), Mumbai - 400 009
Tel: +91-22-40206020/21/22/23/24 Fax: +91-22-40206021
E-mail: mcssta.mumbai@gmail.com

MISCELLANEOUS

• **BANK DETAILS:**

Shareholders holding shares in physical form are requested to notify / send the following information to the Registrar and Share Transfer Agent of the Company:

- Any change in their address/mandate/bank details etc.; and
- Particulars of the bank account in which they wish their dividend to be credited (in case the same has not been furnished earlier); and should include the following particulars namely, Bank Name, Branch Name, Account Type, Account Number and MICR Code (9 digits).

• **PERMANENT ACCOUNT NUMBER:**

The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agent.

• **NOMINATION FACILITY:**

Shareholders holding shares in physical form and desirous of submitting/changing nomination in respect of their shareholding in the Company may submit requisite Form as per the provisions of the Companies Act, 2013, to the Company's Registrar and Share Transfer Agent.

CERTIFICATES AND CONFIRMATION

• **COMPLIANCE CERTIFICATE OF THE AUDITORS:**

A certificate from the Statutory Auditors of the Company confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

DECLARATION

The Board has laid down a code of conduct for all the Board Members and Senior Management of the Company, which is posted on the Website of the Company. The Board Members and Senior Management have affirmed compliance with the code of conduct.

For VIDEOCON INDUSTRIES LIMITED

CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai
Date : 15th May, 2015

CMD/CFO CERTIFICATION

To,
The Board of Directors,

VIDEOCON INDUSTRIES LIMITED

We, the Chairman and Managing Director appointed in terms of the Companies Act, 1956 and Chief Financial Officer of the Company, certify to the Board that:

- a) We have reviewed the Financial Statement and the Cash Flow Statement, for the period ended on 31st December, 2014 and to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the period are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting, evaluate the effectiveness, disclosing the deficiencies in the design or operation of internal controls, if any, to the Auditors and Audit Committee and take steps or propose to take steps to rectify these deficiencies.
- d) We have indicated, wherever applicable, to the Auditors and the Audit Committee:
 - i. Significant changes in internal control over financial reporting during the period;
 - ii. Significant changes in accounting policies, the same have been disclosed in the notes to the financial statement; and
 - iii. Instances of significant fraud of which we have become aware.

For VIDEOCON INDUSTRIES LIMITED

CHIEF FINANCIAL OFFICER

CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai
Date : 15th May, 2015

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of

VIDEOCON INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Videocon Industries Limited, for the period ended on 31st December, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

For **KHANDELWAL JAIN & CO.**
Chartered Accountants
(Firm Registration No. 105049W)

For **KADAM & CO.**
Chartered Accountants
(Firm Registration No. 104524W)

BHUPENDRA Y. KARKHANIS
Partner
Membership No. 108336

U. S. KADAM
Partner
Membership No. 31055

Place : Mumbai
Date : 15th May, 2015

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report has been included in adherence to the spirit enunciated in the code of Corporate Governance approved by the Securities and Exchange Board of India (SEBI) and in compliance with the provisions of the Listing Agreement.

The Management Discussion and Analysis Report comprises of:

- Industry Overview
- Opportunities and Threats
- Segment-wise or product-wise performance
- Outlook
- Risks and Concerns
- Internal control systems and their adequacy
- Discussion on financial performance with respect to operational performance
- Material Development in Human Resources/Industrial Relations front, including number of people employed

CONSUMER ELECTRONICS INDUSTRY OVERVIEW

The Indian Consumer Electronics Industry is influenced by three key variables- commodity, currency and climate and the period 2013-2014 proved to be quite challenging in respect of all three parameters. The period saw high commodity inflation coupled with a steep depreciation of the Indian currency which impacted the consumer appliances industry severely.

The Indian Consumer Electronics and Home Appliances Industry has undergone tremendous changes in the last two decades. Due to rapid changes in technology and also due to fierce competition, new products with smart features are being introduced at very short intervals. It is therefore necessary that products need to be technologically ahead of their times so that they can stay for a longer interval. The success of the appliances industry is also critically dependent on awareness and acceptability of state of the art, smart and energy efficient products by consumers.

The Global Consumer Electronics Industry is heading towards a strong growth post the global economic slowdown. Meaningful product and technological innovation continues to define the industry. With the advent of information age, the consumers are becoming more aware about the new technologies. This has also led to faster adoption of new technologies. With strong purchase intention from both the developed and developing countries, the industry is set to grow further.

Consumer Electronic Industry is at a pivotal point. Greater synergies are making room for astounding collaboration between various technologies creating a world of endless possibilities. This has led to consumer electronics manufacturers to focus on innovation and next generation technologies to bring out meaningful products for the ever growing customer base.

CONSUMER ELECTRONICS SEGMENT - VIDEOCON

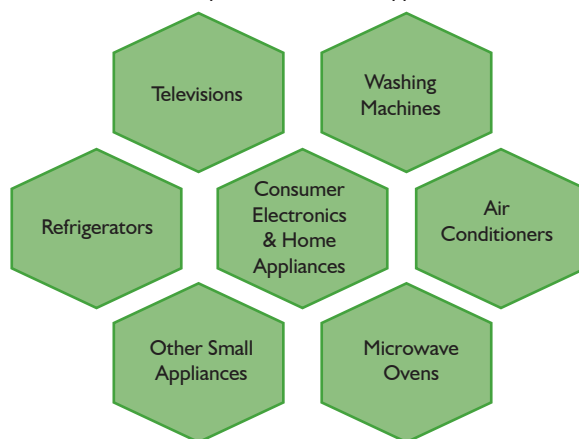
The Consumer Electronics Industry has become rich and more affordable and now the emphasis is placed on improving the user experience and delight. The entire generations of Indian consumers, who once felt grateful simply for being able to experience the same brands as the rest of the world, can now ask for products that cater to their wants and needs. The Company has constantly leveraged a culture of innovation to develop a wide range of market re-defining products with a state-of-the-art-technology and global quality. As a brand, we strive for building a product that is capable of enhancing customer experience and making lives comfortable.

The changing face of Indian economy has ensured a rise in disposable income along with infrastructure development across the country.

This has led to the growth of Consumer Electronics Industry. With the increased demand along with the changing tastes and preferences of consumers has led to innovative measures on the part of Company. The Company's philosophy of innovation and customer centricity has led to introduction of the products tailor made as the needs and wants of Indian consumers.

The Company manufactures, assembles and distributes a comprehensive range of consumer electronic products and home appliances, including finished goods such as televisions, home entertainment systems, refrigerators, washing machines, air conditioners, small household appliances and components such as glass shell (panels and funnels), compressors and motors.

The main area of expertise for the Company is production of wide range of consumer electronics products and home appliances as follows-



Televisions:

Amidst constantly evolving television technology and consumer expectations, Indian television sector is witnessing significant growth in consumer demand. Digitization of broadcast, reduced replacement cycles and increased affordability is driving growth in the Indian television market. The huge rural populace is projected to be the greatest source of incremental demand for LED TVs in coming years.

Televisions continue to be the mainstay of the Consumer Electronics Industry with the transition occurring to newer technologies. Increasing demand for higher pixel ratio with internet ready features has changed dynamics of television market. To stay ahead of these changing consumer dynamics your Company has launched many featured rich products like 4K Ultra HD LED TVs, 3D LED TVs, Smart TVs and DDB LEDs.

Some of the eye catching features of televisions are:

- **4K Ultra HD:** 4K technology with 8.3 Megapixels which provides outstandingly detailed and crisp pictures. It displays four times more pixels than Full HD and 8 times more than an HD.
- **3D Image Processing:** Pictures get real with immersive 3D technology using active shutter viewing glasses, due to which 3D images are clearer and finer in detail.
- **Smart TV:** Enabling consumer to browse internet, log on to Social media networks, video chat on Skype, watch videos on YouTube and do much more through television.
- **Gesture control and Motion gaming:** Smart hand gesture controls lets you adjust volume, find and browse select content, all without having to pick up a remote. Motion gaming technology

allows consumer to use body movement to play game directly on the television.

- **Enhanced Connectivity:** Features like N Screen and Home cloud allows to wirelessly connect multiple devices like mobile phones, Tablets PCs, home theaters and personal computers to sync content.
- **Smart Remote Technology:** Remote enabled with touch and directional sensors for easy control and convenient browsing of content.
- **Nautilus Sound Mode:** LEDs grant ease of use for the most dramatic and impactful home entertainment experiences. Touted for its Nautilus Sound Mode, the LED brings truly immersive high-quality surround sound to the TV.

Further, the Company believes that currently it is one of the largest CRT (Cathode Ray Tubes) TVs manufacturers in India. The Company offers more than 40 colour TV models ranging from 14” to 21” of which more than 28 models are categorized as slim and true flat CRT TVs with features such as picture-in-picture, surround sound, digital sensi eye etc.

The Company also offers more than 150 LED TVs models from 16” to 85” which inter-alia include the features such as 3840*2160 resolution, Built-in satellite reception, Motion Sensor, Voice control, Face Recognition, High Definition.

Technology and Innovation are key factors behind the Company’s market leadership. Your Company will further strengthen its business growth in coming years. Our endeavor is to innovate and create products which are in sync with consumer sentiments. The marketing plans will support flagship launches and apart from traditional marketing our focus will be on experiential marketing campaigns and better in store visibility to provide 360 degree product experience to our consumers.

Microwave Ovens:

The Indian Microwave Oven market remained stagnant in the year under review. With low stakes, the category did not witness significant expansion efforts by manufacturers during the economic slowdown and also remained subdued on shopping priority.

There was a time when microwave ovens were merely used as a convenience appliance to warm food, but with the changing trend and technology the demand and expectations from microwave have changed significantly. Now the microwave oven has become a “must have” appliance. Today the microwave oven is designed in a manner that lets its users enjoy a complete cooking experience at home. With a clever technology of defrost, boil, bake, roast, grill and intelligent multi-sensors the user can manage to have a variety of dishes in a single appliance.

Washing Machines:

The Company believes that it was the first Company to introduce Washing Machine in the Indian market and over the years it remained the market leader in this segment. Overall, the market consists of three categories - washers, semi-automatic and fully automatic. Washing Machines market is expected to grow over the next three years.

The diminishing price differential between high end range of semi automatic twin tub washing machines and top loading fully automatic washing machines and the fact that the later require very little manual intervention during the washing process have been the key growth drivers. The Company is the market leader in this segment with 26 percent market share. Your Company has developed several key Unit Selling Points (USPs) for washing machines. Some of them are:

- a. Germ free washing machines
- b. Rust free washing machines
- c. Hole less wash tub

- d. Multiple water selection levels
- e. Multi pulsator

The shift of the users from semi-automatic to fully automatic versions has been a major trend driving the Indian Washing Machine market. Your Company has introduced new technologically advanced series of Fully-Automatic Washing Machines. These machines are empowered by modern features like Fuzzy Logic, custom wash programs, Memory backup, etc. These features have brought in added convenience to life of our consumers. Our research team is constantly striving towards delivering products with improved technology which are ergonomically sound and environmental friendly.

Features:

- Slim line series of Fully Automatic Front Loading (FAFL) machines which are sleek and with modern technology like inverter drive motor, Ozone wash, Multiple spin speed selection.
- Hot Water sterilization which consumes less power and water.
- Full range of Digi Pearl series from 6.2 kg to 7.0 kg FA Washing Machines with vibrant colours and aesthetically superior looks, multiple wash selection option, lesser water consumption and higher performance.
- Refurbished Digi Pearl series of 6.5, 6.0 kg and 5.5 kg FA Machines with multiple wash programs, multiple water levels selections etc.
- New designer slim range of Zara series of Semi-automatic Washing Machines with new features and trendy looks.

Air Conditioners:

The market of air conditioners in India has been on a steady growth ever since, apart from certain exceptions. Increasing demand by the residential sector owing to reduction in prices has instigated the Company to aim for a higher market share in the high potential market of air conditioners in India. The rising middle-income group and nuclear families have fueled the demand for air conditioners in the urban areas.

The perception of people towards this product category has witnessed a paradigm shift over the years from a luxury product to becoming a necessity in hot humid weather conditions of India. To suit to these harsh Indian weather conditions your Company has launched an innovative air conditioner powered by Quantum edge technology. Salient features of this technology are as follows:

- Powerful cooling even at 55° C
- 100% Copper condenser
- Wear resistant material
- Optimized Compressor

Growing need for healthy and comfortable living in urban areas has led to consumers demanding improved features than basic air-conditioning. To meet these upcoming needs your company have launched WI-FI enabled AC which can be controlled remotely using user’s mobile phone. This enables consumer to access to AC controls from any convenient location.

The Company has introduced the AC keeping in the mind the requirements such as Eco friendly, low-noise, healthier air, smart and trendy looks.

Refrigerators:

Refrigerator market in India is a second largest segment of the consumer durable industry. The utility and the need of refrigerator is felt 365 days in a year and hence has become an indispensable item of every household. Increased disposable income of urban households has contributed to rising demand of rich and higher capacity products. With improving infrastructure in rural geographies, an increase in rural demand is also expected in coming years.

Your Company is committed to bring in new technology to cater to all segments of consumers. With tasteful exterior finishes, exclusive designs and equipped with plethora of tailor-made features, the Company has introduced masterpiece refrigerators to fit the consumer needs.

Some of the eye catching features of the refrigerators are:

- Energy Efficient model which reduce energy consumption by up to 30%
- Innovative storage options like Wine Rack, Bottle Zone and Spice Zones
- Models with a smart LED Lit handle with photo sensors, which sense darkness.
- Cosmetic racks.
- Side by side refrigerators of higher capacity.
- Ice & water Dispenser.
- Cool Booster for retaining cooling during power cut.
- Fast Ice and Ice Zone function to make Ice Faster.
- Twin Drawer Base for keeping Onion, potato, garlic etc.
- Multi Purpose Chiller Tray for keeping Juice, water, etc bottles which can quick chill.
- Bottle separator for separating & supporting bottles.
- VCM & PCM door Finish with Stylish Flush Look.
- Safety Glass Shelves, Flush Look Doors, Deodorizers, Humidity Controlled Crisper and other innovative features in Refrigerator.
- Up to bottom foaming for Strong Refrigerator cabinet.

Small Home Appliances:

Over the years technology has influenced Indian consumers in all walks of life, small home appliance have also evolved to suit changing lifestyle of Indian consumers. Today, Indian cooking appliances are not only limited to Gas based cook tops but also have inducted Microwave ovens, induction cook tops and Air fryers to Indian kitchens. Your Company has come up with variety of products which are suited to meet the Indian needs of cooking and heating.

With rising awareness of healthy eating habits and nutrition science, demand for healthier cooking options has risen. There has been a constant research and development activity to create a technology for preservation of the nutrients while cooking, keeping in mind the growing health-conscious youth population. Your Company has developed innovative products for Indian consumers which guarantee healthier cooking methods without compromising on the taste. One such product is Oxyfryer which help consumer to do oil free frying while delivering higher nutritional value compared to traditional cooking methods. Oxyfryer can cook wide range of Indian fried dishes without compromising on taste. Company is constantly working towards bringing more innovative product to Indian households.

Glass Panels and Funnels

The Company believes that it is one of the largest manufacturers of glass panels and funnels for colour TVs. The Company produces glass panels and funnels, the key components of CRTs, with sizes ranging from 14” to 21”. Your Company sells panels and funnels internationally to the Chinese market.

OVERVIEW OF OIL AND GAS INDUSTRY

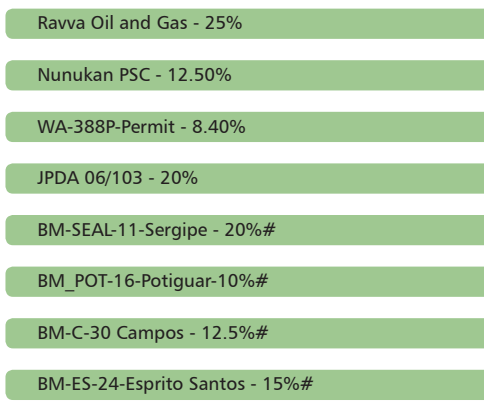
India is today the 5th largest consumer of energy and imports 75 percent of its oil requirements. During the economic slowdown, the country’s economy has not witnessed a healthy growth rate. To sustain high growth rate, India needs substantial quantity of crude and natural gas. The oil and gas industry is one of the most important sectors of any economy and directly impacts the energy security of a country. Any change in supply and pricing of petroleum products directly impacts cost of day-to-day economic activities.

With the formulation of New Exploration Licensing Policy (NELP), the ministry’s objective of increasing the pace of reserve accretion appears to be slowing achieving results with discoveries and accretion of domestic reserves. A large proportion of these discoveries can be attributed to private sector, owing largely to its ability to deploy best available technical expertise worldwide, making their finds per block ratio more favorable than those of Public Sector Undertakings. India’s oil and gas sector has attracted investors round the globe as the country enjoys rich reserves of resources.

The oil and gas industry has been instrumental in fuelling the rapid growth of the Indian economy. This sector constitutes over 15 percent of the Gross Domestic Product (GDP) of the country. Petroleum exports of refined producers have also emerged as the single largest foreign exchange earner for the country. Oil and gas industry has a vital role to play in India’s energy security and for India to sustain its high economic growth rate.

OIL AND GAS SEGMENT - VIDEOCON

The Company has marked its presence in the oil and gas section through various joint ventures and establishment of its subsidiaries.



The Oil and Gas blocks in Brazil are held by IBV Brazil Petroleo Limitada, which is a 50:50 Joint Venture between Videocon Energy Brazil Limited and Bharat Petro Resources Limited.

SEGMENT-WISE PERFORMANCE

The Consolidated Financial Statements have been prepared in terms of Accounting Standard 21 on “Consolidated Financial Statements”, Accounting Standard 27 on “Financial Reporting of Interests in Joint Venture” and Accounting Standard 23 on “Accounting for Investments in Associates in Consolidated Financial Statements”. Accordingly, the segment information as per Accounting Standard 17 on Segment Reporting has been presented in consolidated financial statements.

The segment-wise turnover on consolidated basis is as under:

(₹ in Million)

Segment	Period ended 31st December, 2014 (18 Months)	Period ended 30th June, 2013 (18 Months)
Consumer Electronics and Home Appliances	175,675.44	167,800.19
Crude Oil and Natural Gas	18,985.90	19,700.64
Telecommunications	12,933.36	6,053.46
Power	612.70	688.86
Others	1,745.46	(4.62)
Total	209,952.86	194,238.53

OPPORTUNITIES AND THREATS

The global electronic industry is set to witness a phenomenal growth in the near future, with the rising technological innovations. The digital technology revolution has enabled the industry to earn profits from growing interaction of digital applications. The demand for technologically advanced home appliances has increased by leaps and bounds. Now-a-days consumers are opting for innovative products that enhance and accommodate their lifestyle for personal well-being. Your Company is focused on utilisation of this technological advancement at its fullest. Following are some of the opportunities and threats to the Company:

Opportunities: Consumer Electronics and Home Appliances Sector

- **Internet Retailing** - Internet Retailing has great potential. Today consumers are more willing to purchase branded items over the internet. There are huge opportunities for the Company to expand and grab the benefits of retailing.
- **Fast saturating urban markets** - The fast saturating urban markets are making the manufacturers turn their attention to more lucrative and largely untapped rural markets. Increase in rural income and prosperity, enhances standard of living, improved infrastructure have opened up the markets of B & C class cities.
- **Brand India** - The "MAKE IN INDIA" initiative of the current Government will expand the range of products and simultaneously increase the demand for the same leading to increased production.
- **Increase in number of channels** - The factor for surging demand is the phenomenal growth of media in India. The plethora of television channels and the rising penetration of cinemas will continue to spread awareness of products in the remotest of markets.
- **Influence of western countries** - Due to westernisation and easy availability of products the consumers are relying on home appliances.
- **Consumerism** - Easy availability of information due to advertising and branding thereby increasing 'Consumerism'.
- **Association/tie-up** - There are opportunities to increase the sales of different range of products manufactured by Company by way of association/tie-up with retail outlets, super markets, hyper market etc..
- **Increased awareness:** Advent of internet has made knowledge easily accessible to everyone leading to higher awareness and knowledge. Internet now plays a vital role to form purchase

decision of the consumer for consumer products and appliances. It also opens up a low cost advertisement channel for the companies.

- **Easy availability of finance:** Low cost EMI schemes are contributing to the growth of the industry. People with moderate income levels can now aspire for high end life style products without it being too heavy on their pocket.
- **Development of infrastructure:** Progressive economic policies are favouring development of infrastructure across India. Electrification of villages, setting up socio-economic zones, providing tax holidays etc. are ensuring positive growth of the industry from both demand and supply side.
- **Changing Lifestyle:** With growing economy and rising incomes, the lifestyle of Indian consumers has changed. The change in lifestyle has led to change in needs and requirements of the consumer. In current times, consumer durable product has become a necessity. Also, a segment of the consumers seek newer technologies and innovative products.

Threats: Consumer Electronics & Home Appliances Sector

- Rising input costs of major raw materials required for this industry will severely put pressures on margins. Moreover, with likely increase in excise duties the players in the industry will pass on the increased burden to consumers; thereby dampening overall demand.
- Interest rates continue to an area of concern at all times.
- Rapid changes in technologies thereby making product lifecycle short.
- Fluctuating and seasonal demand.
- The focus of customers is shifting on energy efficient appliances. Providing such appliances at competitive price is a challenge.

Opportunities: Oil & Gas Sector

1. Exploration of Oil and Gas business through mergers and acquisitions and expansion of the business.
2. Scope to identify additional oil and gas blocks, domestically and internationally, those are suitable for exploration and have potential for production.
3. Increase in demand for energy in market in line with Indian economic and industrial development.

Threats: Oil & Gas Sector

1. Increased competition could adversely affect the expansion plans by limiting the number of new exploration blocks.
2. Pricing of oil and gas is subject to variation and depends on a number of factors.
3. Exploration and production of oil and gas and other natural resources involves a high degree of risk and no assurance can be made on the success of the discovery.

OUTLOOK

Indian economy is transforming to one of the fastest growing economies of the world. Rise in income and employment along with increase in women employment has led to accumulation of high disposable income and change in lifestyle. The consumer electronic products have become a necessity rather than a luxury due to changes in socio-economic environment. These changes are favorable for the growth of consumer electronic and durable industry. Value and volume sales are expected to witness strong growth in the forecast period.

The Company has adopted the best and the most sophisticated technology to suit Indian needs. The Company, as a part of global diversification, has been planning international forays in the same

industry and has successfully forayed into international market, either directly or indirectly.

The margin in the industry is under pressure. However, the Company expects that it can meet the challenges with its strength in marketing network, its strategic alliance with led players in the sector, productivity improvement and cost reduction exercises which have already been launched in right earnestness. These measures would place the Company in a position of comfort to meet future challenges. The Company is also expanding its manufacturing capacities to achieve economies of scale and global competitiveness.

The Company intends to continue to cultivate and develop its technical collaborations with global leaders in its product areas. The objective of international marketing would be to gain marketing position in areas that are demographically and psycho-graphically similar to India.

RISK & CONCERNS

Your Company has an optimistic attitude towards risks associated with the business of Consumer Electronics and Home Appliances and Oil and Gas sector. The Company has to manage risk of competition from domestic as well as foreign players. However, the Company expects to overcome the areas of concern with strategic initiatives it has already launched for placing the Company in the path of progress.

Risks: Consumer Electronics & Home Appliances Business

- **Highly Competitive** - Consumer industry in India is growing but is facing tough competition from new players. Companies face competition from domestic as well as international market.
- **Currency fluctuation related Risk** - The weakening of the Indian Rupee has impacted the cost of imports.
- **Pricing Risks** - The pricing across our business is under risk due to competition. We have been providing and offering value added services and benefits to the customers to retain them. We are also investing towards brand building and awareness programme across our businesses to ensure adequate product differentiation.
- **Technological changes** - a substantial portion of Company's business depends on the sales of consumer electronics products. As new features and applications of electronic products are frequently introduced and can be significantly different from the ones they supersede, there is always risk to cope up with the volatile technological advancement.
- **Cross- border Competition** - Customers increasingly want more from their appliances, and manufacturers are working incredibly hard to differentiate themselves in a competitive market in terms of offering products that are easy to use and have innovative features, while maximizing their value.
- **Eroding Brand Loyalty** - Brand Loyalty of consumers have started to shift more frequently than before. Low brand loyalty coupled with shrinking customer attention spans and shortening of product lifecycle pose a risk to any Company.

Risks: Oil and Gas Industry

While risk continues to dominate the energy landscape, competition is also becoming a dominated feature. Following are some of the risks associated with Oil and Gas Industry-

- **Cost containment** - At present, rising costs are being driven both by cyclical factors and the end of "easy oil."
- **Health, safety and environmental risks** - Health, safety and environmental issues have risen on the oil and gas industry's agenda, reflecting both increased public pressure and more complex operational challenges.
- **Uncertain energy policy** - Energy policy is in a continued state of flux in much key geography.

- **Competition from new technologies** - In addition to new technologies for exploration and production, the sector is impacted by broader technological advancements, such as alternative power generation and the electrification of energy delivery.
- **Price volatility** - The pricing of oil and gas is subject to variation and depends on a number of factors which are beyond our control.

The Company has in place a Risk Management Policy, but, there are always going to be unforeseen risks and natural calamities which will be beyond the capacity of the Company.

INTERNAL CONTROL SYSTEMS AND ACCURACY

The Company has in place proper and adequate internal audit and control system in accordance with nature of business and size and complexity of business. Internal control system comprising of policies and producers are designed to ensure compliance with achievement of business goals, compliance with inland laws. All assets and resources are used efficiently and adequately. All financial transactions are recorded as per governing inland laws.

The Company has its own internal audit department which carried out periodical audit at all business places based on annual audit plan and approved by audit committee that test the internal policy and procedure designed by company. Significant observations are reviewed by management as well as Audit Committee.

The information security systems for all information assets and processing activities are under the preview of datacenter of the Company. The security and safety of data is being audited by internal auditor. The Company has disaster data recovery system in place.

The Company has adopted the code of ethics & business conduct which lays down the principles and standards that should govern the action of the Company and its employees. The Company is committed to adhere to the highest standards of ethical, moral conduct of the business.

The Company has an internal control system which provides for:-

- Accurate recording and custody of assets;
- Compliance with applicable statutes, policies, procedures, listing requirements, management guidelines and circulars;
- Transaction being accurately recorded; cross verified and promptly reported;
- Efficient use and safeguarding of resources;
- Adherence to applicable accounting standards and policies; and
- Information technology system which include controls for facilitating the above.

The scope of internal audit extends to all functions and locations of the Company. The Company has also complied with the Clause 49 of the Listing Agreement.

DISCUSSION ON FINANCIAL PERFORMANCE

Comparative performance of the Company on Standalone Basis is set out hereunder:

Fixed Assets

The gross block of Company as on 31st December, 2014, was ₹ 127,693.11 Million. The net block as on that date was ₹ 59,326.35 Million. During the period ended 31st December, 2014, there were additions to the gross block of fixed assets to the extent of ₹ 9,947.41 Million.

Income

Revenue from Operations

During the period ended 31st December, 2014 the Company achieved gross revenue from Operations of ₹ 195,006.59 Million as against ₹ 187,753.84 Million for the period ended on 30th June, 2013.

Other Income

Other income for the period ended 31st December, 2014, amounted to ₹ 11,651.42 Million as against ₹ 4,182.66 Million for the period ended on 30th June, 2013. Other income comprises of income from investments and securities division, profit on sale of fixed assets, insurance claim received, interest and other non operating income.

Expenditure

Cost of Goods Consumed/Sold

During the period ended 31st December, 2014, Cost of Goods Consumed/sold stood at ₹ 119,135.61 Million as against ₹ 115,200.20 Million for the period ended on 30th June, 2013.

Production and Exploration Expenses for Oil and Gas

During the period ended 31st December, 2014, the production and exploration expenses for oil and gas were ₹ 13,381.98 Million as against ₹ 12,668.34 Million for the period ended on 30th June, 2013.

Employee Benefits Expense

During the period ended 31st December, 2014, employee benefits expense stood at ₹ 4,361.74 Million as against ₹ 3,979.94 Million for the period ended on 30th June, 2013.

Other Expenses

During the period 31st December, 2014, the other expenses were ₹ 19,355.10 Million as against ₹ 19,660.41 Million for the period ended on 30th June, 2013.

Finance Costs

For the period ended 31st December, 2014, Finance Costs amounted to ₹ 35,188.96 Million as against ₹ 27,148.18 Million for the period ended on 30th June, 2013.

Depreciation and Amortisation

Depreciation and Amortisation for the period ended 31st December, 2014 amounted to ₹ 9,858.11 Million as against ₹ 8,243.50 Million for the period ended on 30th June, 2013.

Profit/Loss Before Tax

The profit before tax stood at ₹ 45.95 Million for the period ended 31st December, 2014, as against Loss of ₹ 1,145.16 Million for the period ended on 30th June, 2013.

Tax Expenses

Tax Expenses includes Current Tax, MAT Credit Entitlement, Deferred Tax and Excess/Short Provision of Income Tax for earlier years. For the period ended 31st December, 2014, Tax Expenses amounted to ₹ 15.55 Million as against Tax Expenses Credit ₹ 428.84 Million for the period ended 30th June, 2013.

Net Profit/Loss

Net Profit for the period ended 31st December, 2014, has increased to ₹ 30.40 Million as against Net Loss of ₹ 716.32 Million for the period ended 30th June, 2013.

MATERIAL DEVELOPMENTS ON HUMAN RESOURCE

The Company lays significant emphasis in nurturing the all-round development of Human Resources with special emphasis on training its employees to equip themselves to face the challenges in the competitive business environment and achieve the desired goals. In line with this objective, the performance evaluation processes are being redefined to provide dynamic interventions in assessing and developing individual targets and synchronizing these targets to the Company's objectives and goals.

The Company believes in talent acquisition and retention to augment its plan of making presence more prominently in global markets. Steps have been taken to develop a plan for achieving Excellent Results and creating a sense of belongingness in the minds of the employees, which in turn give maximum contribution per employee while gearing them to face the challenges in this competitive business.

The total staff strength of the Company for the financial period ended 31st December, 2014, is around 4,350.

Industrial relations remained cordial during the year under review.

CAUTIONARY STATEMENT

Statements in this report describe the Company's objectives, projections, estimates, expectations and predictions, may be 'forward looking statements' within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise. These statements doesn't guarantee future performance and are subject to known and unknown risks, uncertainties and other factors such as change in the government regulations, tax laws, economic conditions and other incidental factors.

INDEPENDENT AUDITORS' REPORT

To,
The Members of
VIDEOCON INDUSTRIES LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of **VIDEOCON INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st December, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the 18 months period ended on that date, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which are deemed to be applicable as per section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

4. Basis of Qualified Opinion

As mentioned in Note No.40, to the financial statements, the Company has, directly and through its subsidiaries, made investments aggregating to ₹ 65,002.03 Million (As at 30th June, 2013 ₹ 49,337.50 Million) and also given advances of ₹ 340.46 Million (As at 30th June, 2013 ₹ 782.74 Million) to Videocon Telecommunications Limited (VTL), the subsidiary. The licenses awarded by the Department of Telecommunications (DoT) to VTL to provide Unified Access Services (UAS) in 21 circles in India w.e.f. 25th January, 2008, were quashed by the Hon'ble Supreme Court of India, vide its order and judgment dated 2nd February, 2012. Subsequently, VTL participated in the auction conducted by DoT and has been awarded the Unified Licenses (Access Services) for 6 circles with effect from 16th February, 2013, which are valid for a period of 20 years. VTL has also been allotted spectrum in these 6 circles. VTL is continuing its commercial operations.

VTL has been continuously incurring losses and has huge accumulated losses as at 31st December, 2014. The ability of VTL to continue as a going concern is substantially dependent on its ability to fund its operating and capital expenditure requirements. The management is confident of mobilizing the necessary resources for continuing the operations of VTL as per the business plan.

However, in view of the huge accumulated losses of the VTL, we are unable to express an opinion on the extent of realisability of aforesaid investments in and advances to VTL. The consequential effect of the above on assets and liabilities as at 31st December, 2014 and loss for the period ended on that date is not ascertainable.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matters described in the Basis of Qualified Opinion paragraph, the aforesaid financial statements read with the Notes thereon give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2014;
- b) In the case of the Statement of Profit and Loss, of the profit for the period ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

6. Other Matters

The Ministry of Corporate Affairs (MCA) had on 1st April, 2014, vide its General Circular No. 01/2014, *Dissemination of Information with regards to the provision of the Companies Act, 2013 as notified till date vis a vis corresponding provisions of the Companies Act, 1956*, identifies such sections of the Companies Act, 1956, that would cease / continue to have effect from 1st April, 2014.

Accordingly, in terms of the aforesaid Circular, our reporting in respect of section 227(3)(f) of the Companies Act, 1956, and clauses (iii), (v) (a) and (b), (vi), (viii), (xiv), (xviii) of the Companies (Auditor's Report) Order, 2003 (dealing with sections 49, 58A, 58AA, 209(1)(d) and 301 of the Companies Act, 1956) is only for the period beginning from 1st July, 2013 till 31st March, 2014 since as per the aforementioned MCA circular these sections have ceased to have effect from 1st April, 2014.

7. Report on Other Legal and Regulatory Requirements

- A. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent the same are applicable to the Company.
- B. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books. Proper returns adequate for the purpose of our audit have been received from branches not visited by us. The branch Auditors Reports have been forwarded to us and have been appropriately dealt with;
 - c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns from the foreign branches;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which are deemed to be applicable as per section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014);
 - e) on the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Act. The provisions of section 274(1)(g) ceased to have effect from 1st April, 2014 and hence, the reporting requirement under section 227(3)(f) of the Act is not applicable as of the balance sheet date.

For **KHANDELWAL JAIN & CO.**
Chartered Accountants
(Firm Registration No. 105049W)

For **KADAM & CO.**
Chartered Accountants
(Firm Registration No. 104524W)

BHUPENDRA Y. KARKHANIS
Partner
Membership No.: 108336

U. S. KADAM
Partner
Membership No.: 31055

Place : Mumbai
Date : 15th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Statement referred to in paragraph 7A read with paragraph 6 of the Independent Auditors' Report of even date to the Members of **VIDEOCON INDUSTRIES LIMITED** ("the Company") on the financial statements for the period ended 31st December, 2014.

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 (b) As per the information and explanations given to us, physical verification of fixed assets, other than those under joint venture, has been carried out at reasonable intervals in terms of the phased programme of verification adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company and the nature of its business.
 (c) In our opinion, during the period the Company has not disposed off any substantial part of fixed assets.
- (ii) (a) As per the information and explanation given to us, the inventories (excluding stock of crude oil lying at extraction site with the Operator) have been physically verified during the period by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
 (b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 (c) The Company is maintaining proper records of inventory. As per the information and explanations given to us, the discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) (a) As per the information and explanations given to us, the Company has not granted or taken any loans, secured or unsecured, to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 (b) As the Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, sub-clauses (b), (c), (d), (f) and (g) of clause (iii) of paragraph 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sales of goods and services. During the course of our audit, we have not observed any continuing failure to correct the major weakness in the internal control systems.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.
 (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and exceeding the value of Rupees Five Lakhs, in respect of any party during the period, have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of the provisions of section 58A and 58AA or any other relevant provision of the Companies Act, 1956 and rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Central Government has prescribed maintenance of the cost records under section 209(1)(d) of the Companies Act, 1956, in respect of the Company's products. As per the information and explanations provided to us, we are of the opinion that *prima facie*, the prescribed records have been made and maintained. We have however not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st December, 2014 for a period of more than six months from the date they became payable.
 (b) According to the records of the Company examined by us and information and explanations given to us, the particulars of dues of Sales tax, Income tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess which have not been deposited on account of any disputes, are given below:

Name of Statute	Nature of Dues	₹ in Million	Forum where dispute is pending
1. Customs Act, 1962	Custom Duty and Penalties	7.71	Supreme Court
		1.50	High Court
		0.04	Superintendent
		163.25	CESTAT
		0.93	Commissioner (Appeals)
		67.56	Commissioner
		15.49	Joint Commissioner
		17.63	Deputy Commissioner
		8.59	Asst. Commissioner
		2. Central Excise Act, 1944	Excise Duty and Penalties
490.86	CESTAT		
3.61	Tribunal		
1.23	Commissioner (Appeals)		
637.32	Commissioner		
32.97	Additional Commissioner		
0.85	Deputy Commissioner		
0.71	Assistant Commissioner		

Name of Statute	Nature of Dues	₹ in Million	Forum where dispute is pending
3. Finance Act, 1994 (Service Tax Provisions)	Service Tax and Penalties	24.16	CESTAT
		2.25	Additional Commissioner
		0.15	Deputy Commissioner
		1.03	Assistant Commissioner
		0.11	Superintendent
4. Central Sales Tax Act, 1956 and State Sales Tax Acts of various States	Sales Tax	29.46	High Court
		16.49	Tribunal
		10.30	Commissioner
		1.05	Sr. Joint Commissioner
		18.20	Joint Commissioner (Appeals)
		516.50	Joint Commissioner
		409.44	Additional Commissioner
		0.19	Deputy Commissioner (Appeals)
		31.54	Deputy Commissioner
		18.21	Assistant Commissioner
		12.66	Commercial Tax Officer
5. Income Tax Act, 1961	Income Tax	155.23	High Court
		62.40	Appellate Tribunal
6. Navi Mumbai Municipal Corporation	Cess	1,012.64	High Court

(x) There are no accumulated losses as at 31st December, 2014. The Company has not incurred any cash losses during the period covered by our audit and the immediately preceding financial year.

(xi) Based on our audit procedures and the information and explanations given to us, it is observed that, the Company has defaulted in repayment of loans and payment of interest to banks and financial institutions which are summarized below:

Particulars	Principal Amount (₹ in Million)	Interest Amount (₹ in Million)	Delay in Days – Range
Amount paid before the period end	3,795.23	14,408.74	1 to 88 days
Amount outstanding as at 31st December, 2014	-	-	-

(xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund company or nidhi/mutual benefit fund/society. Therefore the clause (xiii) of paragraph 4 of the Order is not applicable to the Company.

(xiv) The Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities, debentures and other investments and timely entries have generally been made therein. All shares, debentures and other securities have been held by the Company in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956.

(xv) According to the information and explanations given to us, the terms and conditions of guarantees given by the Company for loans taken by others from banks or financial institutions are *prima facie* not prejudicial to the interest of the Company.

(xvi) According to the information and explanations given to us, the term loans raised during the period were applied, on an overall basis, for the purposes for which the loans were obtained.

(xvii) According to the information and explanations given to us and on our overall examination of the Balance Sheet of the Company, we report that the Company has not used funds raised on short term basis for long term investments.

(xviii) The Company has not made any preferential allotment of shares during the period to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) The Company has not issued any secured debentures during the period.

(xx) During the period, the Company has not raised any money by way of public issue. The Company has during the period raised ₹ 2,851.27 Million (including securities premium of ₹ 2,694.27 Million) by way of issue of Global Depository Receipts.

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period.

For **KHANDELWAL JAIN & CO.**
Chartered Accountants
(Firm Registration No. 105049W)

For **KADAM & CO.**
Chartered Accountants
(Firm Registration No. 104524W)

BHUPENDRA Y. KARKHANIS
Partner
Membership No.:108336

U. S. KADAM
Partner
Membership No.:31055

Place : Mumbai
Date : 15th May, 2015

BALANCE SHEET

As at 31st December, 2014

(₹ in Million)

Particulars	Note No.	As at 31st Dec., 2014	As at 30th June, 2013
I. EQUITY AND LIABILITIES			
1) Shareholders' Funds			
a) Share Capital	2	3,344.59	3,340.94
b) Reserves and Surplus	3	100,280.91	97,839.04
		103,625.50	101,179.98
2) Non-Current Liabilities			
a) Long Term Borrowings	4	180,258.37	161,449.86
b) Deferred Tax Liability (Net)	5	7,092.51	7,076.96
c) Long Term Provisions	6	1,971.06	1,473.89
		189,321.94	170,000.71
3) Current Liabilities			
a) Short Term Borrowings	7	46,440.44	57,527.27
b) Trade Payables	8	11,524.70	11,412.84
c) Other Current Liabilities	9	29,785.60	28,223.93
d) Short Term Provisions	10	963.15	946.85
		88,713.89	98,110.89
	TOTAL	381,661.33	369,291.58
II. ASSETS			
1) Non-Current Assets			
a) Fixed Assets	11		
i) Tangible Assets		58,778.75	58,825.01
ii) Intangible Assets		547.60	458.16
iii) Capital work-in-progress		7,292.92	6,674.55
b) Non-Current Investments	12	56,208.88	49,327.79
c) Long Term Loans and Advances	13	79,170.73	74,741.53
		201,998.88	190,027.04
2) Current Assets			
a) Current Investments	14	60.39	41.63
b) Inventories	15	24,040.99	21,578.97
c) Trade Receivables	16	28,627.62	28,327.00
d) Cash and Bank Balances	17	24,496.96	4,858.26
e) Short Term Loans and Advances	18	101,252.44	121,271.14
f) Other Current Assets	19	1,184.05	3,187.54
		179,662.45	179,264.54
	TOTAL	381,661.33	369,291.58
Significant Accounting Policies	1		
Notes forming part of the Financial Statements	2 to 50		

As per our report of even date

For and on behalf of the Board

For **KHANDELWAL JAIN & CO.**
Chartered AccountantsFor **KADAM & CO.**
Chartered Accountants**V. N. DHOOT**
Chairman and Managing Director**BHUPENDRA Y. KARKHANIS**
Partner
Membership No. 108336**U. S. KADAM**
Partner
Membership No. 31055**VINOD KUMAR BOHRA**
Company Secretary**R. S. AGARWAL**
DirectorPlace: Mumbai
Date : 15th May, 2015

STATEMENT OF PROFIT AND LOSS

For the period 1st July, 2013 to 31st December, 2014

(₹ in Million)

Particulars	Note No.	18 Months ended 31st Dec., 2014	18 Months ended 30th June, 2013
I. INCOME			
Revenue from Operations	20	195,006.59	187,753.84
Less: Excise Duty		5,330.56	6,181.09
Net Revenue from Operations		189,676.03	181,572.75
Other Income	21	11,651.42	4,182.66
Total Income		201,327.45	185,755.41
II. EXPENSES			
Cost of Materials Consumed	22	60,550.05	56,643.70
Purchase of Stock-in-Trade	23	59,621.35	59,133.82
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	24	(1,035.79)	(577.32)
Production and Exploration Expenses - Oil and Gas	25	13,381.98	12,668.34
Employee Benefits Expense	26	4,361.74	3,979.94
Finance Costs	27	35,188.96	27,148.18
Depreciation and Amortisation	11	9,858.11	8,243.50
Other Expenses	28	19,355.10	19,660.41
Total Expenses		201,281.50	186,900.57
III. Profit/(Loss) Before Tax		45.95	(1,145.16)
IV. Tax Expenses	29	15.55	(428.84)
V. Profit/(Loss) for the Period		30.40	(716.32)
VI. Earnings per Equity Share of face value ₹10/- each	30		
Basic and Diluted		0.08	(2.38)
Significant Accounting Policies	1		
Notes forming part of the Financial Statements	2 to 50		

As per our report of even date

For and on behalf of the Board

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

For **KADAM & CO.**
Chartered Accountants

V. N. DHOOT
Chairman and Managing Director

BHUPENDRA Y. KARKHANIS
Partner
Membership No. 108336

U. S. KADAM
Partner
Membership No. 31055

VINOD KUMAR BOHRA
Company Secretary

R. S. AGARWAL
Director

Place: Mumbai
Date : 15th May, 2015

CASH FLOW STATEMENT

For the period 1st July, 2013 to 31st December, 2014

	(₹ in Million)	
Particulars	18 Months ended 31st Dec., 2014	18 Months ended 30th June, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	45.95	(1,145.16)
Adjustments for:		
Depreciation and Amortisation	9,858.11	8,243.50
Finance Costs	35,188.96	27,148.18
Provision for Warranty and Maintenance Expenses	(4.78)	21.09
Provision for Gratuity	12.09	64.64
Provision for Leave Encashment	(0.05)	10.38
Provision for Abandonment and Site Restoration Costs	491.19	135.65
Provision for Doubtful Debts	36.51	91.27
Interest Received	(1,801.71)	(491.40)
(Write back) in Value of Investments - Net	(15.45)	(1.73)
Income from Investments and Securities Division	(236.81)	(43.82)
Profit on Sale of Fixed Assets	(110.88)	(637.11)
Operating Profit before Working Capital Changes	43,463.13	33,395.49
Adjustments for:		
Inventories	(2,462.02)	(771.88)
Trade Receivables	(337.13)	(913.85)
Loans and Advances	15,988.11	(41,029.00)
Other Current Assets	2,003.49	(2,288.92)
Trade Payables	111.86	(313.71)
Other Current Liabilities	(3,560.59)	5,107.96
Cash generated from/(used in) Operations	55,206.85	(6,813.91)
Less: Taxes Paid/(Refund)- net	398.61	(20.59)
Net Cash from/(used in) Operating Activities	(A) 54,808.24	(6,793.32)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	157.00	1,083.29
Purchase of Fixed Assets (Including Capital Work-in-Progress)	(10,565.78)	(11,631.77)
Interest Received	1,801.71	491.40
(Increase)/Decrease in Fixed Deposits and Other Bank Balances	(17,716.30)	306.17
(Purchase)/Sale of Investments (Net)	407.51	4,127.85
(Increase) in Investments in Subsidiaries (Net)	(7,291.91)	(6,058.44)
Income from Investments and Securities Division	236.81	43.82
Net Cash (used in) Investing Activities	(B) (32,970.96)	(11,637.68)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Equity Share Capital	157.01	157.53
(Decrease) in Preference Share Capital	(153.30)	(155.95)
Securities Premium Received	2,694.49	2,642.80
Increase in Long Term Borrowings	23,930.97	63,349.70
(Decrease) in Short Term Borrowings	(11,086.83)	(20,040.44)
Finance Costs	(35,188.96)	(27,148.18)
Payment of Dividend	(226.65)	(211.25)
Tax on Dividend	(38.48)	(31.33)
Share Issue Expenses	(3.13)	(12.91)
Net Cash (used in)/from Financing Activities	(C) (19,914.88)	18,549.97
Net Change in Cash and Cash Equivalents	(A+B+C) 1,922.40	118.97
Cash and Cash Equivalents at beginning of the period	1,269.79	1,150.82
Cash and Cash Equivalents at end of the period	3,192.19	1,269.79
Other Bank Balances	21,304.77	3,588.47
Cash and Bank Balances at the end of the period (Note No. 17)	24,496.96	4,858.26

As per our report of even date

For **KHANDELWAL JAIN & CO.**
Chartered Accountants**BHUPENDRA Y. KARKHANIS**

Partner

Membership No. 108336

Place: Mumbai

Date : 15th May, 2015

For **KADAM & CO.**
Chartered Accountants**U. S. KADAM**

Partner

Membership No. 31055

VINOD KUMAR BOHRA

Company Secretary

For and on behalf of the Board

V. N. DHOOT

Chairman and Managing Director

R. S. AGARWAL

Director

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

A) Basis of Accounting

- a) The financial statements are prepared under historical cost convention, except for certain Fixed Assets which are revalued, using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956, including the mandatory Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006.
- b) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Example of such estimates include provisions for doubtful debts, employee retirement benefits plans, provision for income tax and the useful lives of fixed assets. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.

B) Fixed Assets/Capital Work in Progress

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

C) Joint Ventures for Oil and Gas Fields

In respect of unincorporated joint ventures in the nature of Production Sharing Contracts (PSC) entered into by the Company for oil and gas exploration and production activities, the Company's share in the assets and liabilities as well as income and expenditure of Joint Venture Operations are accounted for, according to the Participating Interest of the Company as per the PSC and the Joint Operating Agreements on a line-by-line basis in the Company's Financial Statements. In respect of joint ventures in the form of incorporated jointly controlled entities, the investment in such joint venture is treated as long term investment and carried at cost. The decline in value, other than temporary, is provided for.

D) Exploration, Development Costs and Producing Properties

The Company follows the "Full Cost" method of accounting for its oil and natural gas exploration and production activities. Accordingly, all acquisition, exploration and development costs are treated as capital work-in-progress and are accumulated in a cost centre. The cost centre is not, normally, smaller than a country except where warranted by major difference in economic, fiscal or other factors in the country. When any well in a cost centre is ready to commence commercial production, these costs are capitalised from capital work-in-progress to producing properties in the gross block of assets regardless of whether or not the results of specific costs are successful.

E) Abandonment Costs

The full eventual estimated liability towards costs relating to dismantling, abandoning and restoring well sites and allied facilities is recognised as liability for abandonment cost based on evaluation by experts at current costs and is capitalised as producing property. The same is reviewed periodically.

F) Depreciation, Amortisation and Depletion

The Company provides depreciation on fixed assets held in India on written down value method in the manner and at the rates specified in the Schedule XIV to the Companies Act, 1956,

except, a) on Fixed Assets of Consumer Electronics Divisions other than Glass Shell Division and; b) on office buildings acquired after 1st April, 2000, on which depreciation is provided on straight line method at the rates specified in the said Schedule or based on useful life of assets whichever is higher. Depreciation on fixed assets held outside India is provided on straight line method at the rates prescribed in the aforesaid Schedule or based on useful life of assets whichever is higher. Producing Properties are depleted using the "Unit of Production Method". The rate of depletion is computed in proportion of oil and gas production achieved vis-a-vis proved reserves. Leasehold Land is amortised over the period of lease.

Intangible Assets are amortised over a period of five years.

G) Impairment of Assets

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

H) Investments

- a) Current Investments: Current Investments are carried at lower of cost or quoted/fair value.
- b) Non-Current Investments: Non-Current Investments are stated at cost. The decline in the value of the investment, other than temporary, is provided for.
- c) Cost is inclusive of brokerage, fees and duties but excludes Securities Transaction Tax.

I) Inventories

Inventories including crude oil stocks are valued at cost or net realisable value whichever is lower. Cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Basis.

J) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an qualifying asset are capitalised as part of the cost of that asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

K) Excise and Custom Duty

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

L) CENVAT/Value Added Tax

CENVAT/Value Added Tax Benefit is accounted for by reducing the purchase cost of the materials/fixed assets/ services.

M) Revenue Recognition

- a) Revenue is recognised on transfer of significant risk and reward in respect of ownership.
- b) Sales/turnover includes sales value of goods, services, excise duty, duty drawback and other recoveries such as insurance, transportation and packing charges but excludes sale tax, value added tax and recovery of financial and discounting charges.
- c) Revenue from sale of electrical energy is accounted for on the basis of billing as per the provisions of Power Purchase Agreement.
- d) Insurance, Duty Drawback and other claims are accounted for as and when admitted by the appropriate authorities.
- e) Dividend on investments is recognised when the right to receive is established.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

N) Foreign Currency Transactions

- a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions. Foreign Currency Monetary Assets and Liabilities are translated at the year end rate. The difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of Monetary Items at the end of the year is recognised, as the case may be, as income or expense for the year.
- b) Forward contracts other than those entered into to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions are treated as foreign currency transaction and accounted accordingly. Exchange differences arising on such contracts are recognised in the period in which they arise and the premium paid/received is recognised as expenses/income over the period of the contract. Cash flows arising on account of roll over/cancellation of forward contracts are recognised as income/expenses of the period in line with the movement in the underlying exposure.
- c) All other derivative contracts including forward contract entered into for hedging foreign currency risks on unexecuted firm commitments and highly probable forecast transactions which are not covered by the existing Accounting Standard (AS) 11, are recognised in the financial statements at fair value as on the Balance Sheet date. The resultant gains and losses on fair valuation of such contracts are recognised in the Statement of Profit and Loss Account.

O) Translation of the financial statements of foreign branch

- a) Revenue items are translated at average rates.
- b) Opening and closing inventories are translated at the rate prevalent at the commencement and close of the accounting year, respectively.
- c) Fixed assets are translated at the exchange rate as on the date of the transaction. Depreciation on fixed assets is translated at the rates used for translation of the value of the assets to which it relates.
- d) Other current assets and current liabilities are translated at the closing rate.

P) Employee Benefits

- a) Short Term Employees Benefits
Short Term Employees Benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss Account of the period/year in which the related services are rendered.
- b) Post Employment Benefits
 - i) Provident Fund - Defined Contribution Plan
The Company contributes monthly at a determined rate. These contributions are remitted to the Employees' Provident Fund Organisation, India for this purpose and is charged to Statement of Profit and Loss on accrual basis.
 - ii) Gratuity - Defined Benefit Plan
The Company provides for gratuity to all the eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or termination of employment for an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs on completion of five years of service. Liability in respect of gratuity is determined using the projected unit credit method with actuarial valuations as on the Balance Sheet date and gains/losses are recognized immediately in the Statement of Profit and Loss.
 - iii) Leave Encashment
Liability in respect of leave encashment is determined

using the projected unit credit method with actuarial valuations as on the Balance Sheet date and gains/losses are recognized immediately in the Statement of Profit and Loss.

Q) Taxation

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

R) Share Issue Expenses

Share issue expenses are written off to Securities Premium Account.

S) Premium on Redemption of Bonds/Debentures

Premium on Redemption of Bonds/Debentures are written off to Securities Premium Account.

T) Research and Development

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

U) Accounting for Leases

Where the Company is lessee:

- a) Operating Leases: Rentals in respect of all operating leases are charged to Statement of Profit and Loss.
- b) Finance Leases:
 - i) Rentals in respect of all finance leases entered before 1st April, 2001 are charged to Statement of Profit and Loss.
 - ii) Assets acquired on or after 1st April, 2001, under finance lease or similar arrangements which effectively transfer to the Company, substantially all the risks and benefits incidental to ownership of the leased items, are capitalised at the lower of their fair value and present value of the minimum lease payments and are disclosed as leased assets.

V) Warranty

Provision for the estimated liability in respect of warranty on sale of consumer electronics and home appliances products is made in the year in which the revenues are recognised, based on technical evaluation and past experience.

W) Provisions, Contingent Liabilities and Contingent Assets

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

Contingent Liabilities are not recognised but are disclosed in the Notes to Financial Statements. Disputed demands in respect of Central Excise, Custom duty, Income tax, Sales tax and Others are disclosed as contingent liabilities. Payment in respect of such demands, if any, is shown as an advance, till the final outcome of the matter.

Contingent assets are not recognised in the financial statements.

X) Prior period items

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

Y) Other Accounting Policies

These are consistent with the generally accepted accounting principles.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(₹ in Million)

2. SHARE CAPITAL

Authorised:

	As at 31st Dec., 2014	As at 30th June, 2013
500,000,000 (As at 30th June, 2013 - 500,000,000) Equity Shares of ₹ 10/- each	5,000.00	5,000.00
10,000,000 (As at 30th June, 2013 - 10,000,000) Redeemable Preference Shares of ₹ 100/- each	1,000.00	1,000.00
Total	6,000.00	6,000.00

Issued, Subscribed and Paid-up:

Equity Shares

334,458,875 (As at 30th June, 2013 - 318,771,669) Equity Shares of ₹ 10/- each fully paid-up.	3,344.59	3,187.72
Less: Calls in Arrears - by others	-	0.08
(a)	3,344.59	3,187.64

Preference Shares

i) Nil (As at 30th June, 2013 - 4,523,990) 8% Cumulative Redeemable Preference Shares of ₹ Nil (As at 30th June, 2013 ₹ 33.32) each, redeemed at par on 1st October, 2013.	-	150.74
ii) Nil (As at 30th June, 2013 - 76,870) 8% Cumulative Redeemable Preference Shares of ₹ Nil (As at 30th June, 2013 ₹ 33.34) each, redeemed at par on 1st February, 2014.	-	2.56
(b)	-	153.30
Total (a + b)	3,344.59	3,340.94

2.1 Reconciliation of the Number of Shares:

	As at 31st Dec., 2014		As at 30th June, 2013	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
a) Equity Shares of ₹ 10/- each				
Outstanding at the beginning of the period	318,771,669	3,187.72	303,021,669	3,030.22
Issued during the period*	15,700,000	157.00	15,750,000	157.50
Less: Forfeited during the period	12,794	0.13	-	-
Outstanding at the end of the period	334,458,875	3,344.59	318,771,669	3,187.72
b) 8% Cumulative Redeemable Preference Shares of ₹ Nil (As at 30th June, 2013 ₹ 33.32 each)				
Outstanding at the beginning of the period	4,523,990	150.74	4,523,990	301.56
Redeemed during the period	4,523,990	150.74	-	150.82
Outstanding at the end of the period	-	-	4,523,990	150.74
c) 8% Cumulative Redeemable Preference Shares of ₹ Nil (As at 30th June, 2013 ₹ 33.34 each)				
Outstanding at the beginning of the period	76,870	2.56	76,870	7.69
Redeemed during the period	76,870	2.56	-	5.13
Outstanding at the end of the period	-	-	76,870	2.56

* The Company has allotted 15,700,000 underlying equity shares represented by the issue of 15,700,000 Global Depository Receipts (GDR) at a price of US\$ 2.88 per GDR, equivalent to ₹ 181.61 per equity share (including share premium of ₹ 171.61 per equity share) aggregating to ₹ 2,851.27 Million.

2.2 Rights, Preference and Restrictions:

- The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to equal right of voting and dividend.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- The preference shares do not have voting rights. They have preference over equity shareholder as to dividend and in case of liquidation.

2.3 Details of Shareholders holding more than 5% Shares:

Name of Shareholders	As at 31st Dec., 2014		As at 30th June, 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
a) Equity Shareholders				
a) Dome-Bell Electronics India Private Limited	19,741,049	5.90	19,741,049	6.19
b) Shree Dhoot Trading And Agencies Limited	26,604,836	7.95	28,404,836	8.91
c) Synergy Appliances Private Limited	16,010,575	4.79	16,010,575	5.02
d) Videocon Realty and Infrastructures Limited	63,570,518	19.01	63,570,518	19.94
e) Deutsche Bank Trust Company Americas (As depository of Global Deposits Receipts)	41,201,226	12.32	26,051,226	8.17
b) 8% Cumulative Redeemable Preference Shares of ₹ Nil (As at 30th June, 2013 ₹ 33.32 each)				
a) LIC of India Limited	-	-	441,990	9.77
b) IDBI Bank Limited	-	-	4,082,000	90.23
c) 8% Cumulative Redeemable Preference Shares of ₹ Nil (As at 30th June, 2013 ₹ 33.34 each)				
General Insurance Corporation of India Limited	-	-	76,870	100.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

		(₹ in Million)	
		As at 31st Dec., 2014	As at 30th June, 2013
3. RESERVES AND SURPLUS			
a) Capital Reserve (including Capital Subsidy)			
As per last Balance Sheet		9.75	9.75
Add: On Forfeiture of Equity Shares		1.44	-
	(a)	11.19	9.75
b) Capital Redemption Reserve			
As per last Balance Sheet		844.29	688.33
Add: Transferred from Surplus in the Statement of Profit and Loss		153.30	155.96
	(b)	997.59	844.29
c) Securities Premium Account			
As per last Balance Sheet		46,188.60	43,559.42
Add: Received during the period		2,694.27	2,642.09
Less: Reversal of Securities Premium pertaining to shares forfeited		2.75	-
Less: Share Issue Expenses		3.13	12.91
		48,876.99	46,188.60
Less: Calls in Arrears - by others		-	1.59
	(c)	48,876.99	46,187.01
d) Bond/Debenture Redemption Reserve			
As per last Balance Sheet		2,962.51	1,053.17
Add: Transferred from Surplus in the Statement of Profit and Loss		2,054.24	1,909.34
	(d)	5,016.75	2,962.51
e) General Reserve			
As per last Balance Sheet		16,501.48	16,201.48
Add: Transferred from Surplus in the Statement of Profit and Loss		300.00	300.00
	(e)	16,801.48	16,501.48
f) Surplus in the Statement of Profit and Loss			
As per last Balance Sheet		31,334.00	34,680.55
Add: Profit/(Loss) for the period		30.40	(716.32)
Balance available for Appropriations		31,364.40	33,964.23
Less: Appropriations			
Transfer to Capital Redemption Reserve		153.30	155.96
Transfer to Bond/Debenture Redemption Reserve		2,054.24	1,909.34
Transfer to General Reserve		300.00	300.00
Proposed Dividend - Equity Shares		230.14	198.77
Proposed Dividend - Preference Shares		3.16	27.68
Tax on Proposed Dividend		46.65	38.48
	(f)	28,576.91	31,334.00
Total (a to f)		100,280.91	97,839.04

		(₹ in Million)			
		As at 31st Dec., 2014		As at 30th June, 2013	
		Non-Current	Current	Non-Current	Current
4. LONG-TERM BORROWINGS					
a) Secured					
Rupee Term Loans from Banks		171,421.58	3,141.62	140,291.04	7,263.32
Rupee Term Loans from Financial Institutions		8,706.31	286.09	9,338.05	900.48
External Commercial Borrowings		-	-	-	589.41
Vehicle Loan from Banks		51.32	71.89	151.79	130.35
	(a)	180,179.21	3,499.60	149,780.88	8,883.56
b) Unsecured					
Rupee Term Loans from Banks		75.00	100.00	-	2,000.00
Foreign Currency Convertible Bonds		-	12,402.72	11,652.34	-
Sales Tax Deferral		4.16	12.48	16.64	8.78
	(b)	79.16	12,515.20	11,668.98	2,008.78
Total (a+b)		180,258.37	16,014.80	161,449.86	10,892.34

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

4.1 Secured Loans:

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

Loans amounting to ₹ 167,393.20 Million (As at 30th June, 2013 ₹ 144,178.53 Million) are secured by first *pari-passu* charge on all present and future tangible/intangible assets (excluding the Identified Properties) of each of the Borrower, first *pari-passu* charge on the Trust and Retention Accounts of the Borrowers, second *pari-passu* charge on Identified Assets of Videocon Hydrocarbon Holdings Limited's (VHHL) subsidiaries through pledge of entire shareholding of VHHL in these overseas subsidiaries, second charge on pledge of 100% shares of Videocon Oil Ventures Limited and VHHL, second *pari-passu* charge on VHHL's share of cash flows from Identified Assets and second *pari-passu* charge over current assets of each of the Borrowers. The Rupee Term Loans are also secured by first ranking pledge over specified numbers of equity shares of Videocon Industries Limited, Trend Electronics Limited and Value Industries Limited held by the Promoters, the personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot, Mr. Rajkumar N. Dhoot and first *pari-passu* charge on 'Videocon' brand (Also refer Note No. 36).
 - ii) Loans amounting to ₹ 150.00 Million (As at 30th June, 2013 ₹ 1,200.00 Million) is secured by first *pari-passu* charge over the fixed assets situated at Bharuch and Aurangabad, both present and future.
 - iii) Loans amounting to ₹ 512.40 Million (As at 30th June, 2013 ₹ 581.03 Million) is secured by mortgage of immovable assets and first charge on movable assets, cash flows and intangible assets pertaining to the 5.75 MW Multi Crystalline Silicon Photovoltaic Technology Project at Warora.
 - iv) Loans amounting to ₹ 10,750.00 Million (As at 30th June, 2013 ₹ Nil) are secured by first *pari-passu* charge on book debts of consumer electronics and home appliances division which are not charged to bankers for securing working capital loans and first *pari-passu* charge on equitable mortgage of specified properties owned by the Company and owned by other 6 entities. The loans are further secured by personal guarantee of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot and corporate guarantee of the entities whose properties have been mortgaged.
 - v) Loans amounting to ₹ 2,250.00 Million (As at 30th June, 2013 ₹ Nil) is secured by subservient charge on current assets of the Company, pledge of equity shares of Videocon Industries Limited held by other entities and personal guarantee of Mr. Venugopal N. Dhoot.
 - vi) Loans amounting to ₹ 2,500.00 Million (As at 30th June, 2013 ₹ Nil) is secured by subservient charge on current assets of the Company, extension of pledge of equity shares of Videocon Industries Limited mentioned in note no. (v) above and pledge of equity shares of Videocon d2h Limited held by other entities, mortgage of properties owned by other entities and personal guarantee of Mr. Venugopal N. Dhoot.
- b) Vehicle Loan from Banks are secured by way of hypothecation of Vehicles acquired out of the said loan. The loans are also secured by personal guarantee of Mr. Venugopal N. Dhoot.

4.2 Unsecured Loans:

- a) The Company had issued 2,000 Foreign Currency Convertible Bonds of US\$ 100,000 each (Bonds) during the year 2010, due on 16th December, 2015, out of which 1,944 (As at 30th June, 2013 - 1,944) Bonds are outstanding.
 - i) The Bonds are convertible at the option of the bondholders at any time on or after 25th January, 2011 to 7 days before maturity date i.e. 16th December, 2015, at a fixed exchange rate of ₹ 45.255 per 1 US\$ and at initial conversion price of ₹ 239.5265 per share being at premium of 3% over reference share price. The conversion price will be subject to adjustment for, among other things, subdivision or consolidation of shares, rights issues, capital distributions, stock dividends and other dilutive events.
 - ii) The Bonds are redeemable in whole but not in part at the option of the Company on or after 15th December, 2013, if the closing price of shares for each of the 30 consecutive trading days prior to the date on which notice of such redemption is given was at least 130% of the conversion price.
 - iii) The Bonds are redeemable at maturity date i.e. on 16th December, 2015 at its principal amount, if not redeemed or converted earlier.
- b) The Company has availed interest free Sales Tax Deferral under Special Incentive to Prestigious Unit (Modified) Scheme. Out of total outstanding, ₹ 12.48 Million is repayable in the financial year 2015 and balance amount of ₹ 4.16 Million is repayable in the financial year 2016.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(₹ in Million)

4.3 Maturity Profile:

Maturity between 1st January to 31st December of:

	Rupee Term Loans from Banks	Rupee Term Loans from Financial Institutions	Vehicle Loan from Banks	Rupee Term Loans from Banks
Financial Year 2016	6,207.85	202.88	46.57	75.00
Financial Year 2017	7,463.13	269.69	3.24	-
Financial Year 2018	17,345.66	591.49	1.20	-
Financial Year 2019	39,617.19	1,548.50	0.21	-
Financial Year 2020	40,695.01	2,186.00	0.10	-
Financial Year 2021	40,695.01	2,186.00	-	-
Financial Year 2022	19,267.73	1,676.00	-	-
Financial Year 2023	130.00	45.75	-	-

(₹ in Million)

5. DEFERRED TAX LIABILITY (Net)

	As at 31st Dec., 2014	As at 30th June, 2013
a) Deferred Tax Liability Related to Depreciation and Amortisation on Fixed Assets	8,133.39	8,190.78
	(a) 8,133.39	8,190.78
b) Deferred Tax Assets		
i) Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961	181.74	128.21
ii) Unabsorbed Losses and Depreciation	783.74	792.87
iii) Others	75.40	192.74
	(b) 1,040.88	1,113.82
Net Deferred Tax Liability	(a-b) 7,092.51	7,076.96

6. LONG-TERM PROVISIONS

Provision for Gratuity (Refer Note No. 33B)	151.98	145.12
Provision for Leave Encashment (Refer Note No. 33B)	48.38	49.26
Provision for Abandonment and Site Restoration Costs	1,770.70	1,279.51
Total	1,971.06	1,473.89

7. SHORT-TERM BORROWINGS**Secured**

Loans from Banks	10,400.00	20,500.00
Working Capital Loans from Banks	10,913.12	15,476.39
	(a) 21,313.12	35,976.39

Unsecured

Loans from Banks	10,499.93	7,620.83
Loans repayable on demand: From Others	14,627.39	13,930.05
	(b) 25,127.32	21,550.88
Total (a+b)	46,440.44	57,527.27

7.1 Secured Loans

- a) Short Term Loans from Banks
 - i) Loans amounting to ₹ 1,900.00 Million (As at 30th June, 2013 ₹ Nil) is secured by mortgage of specified property owned by the Company, negative lien on property owned by other entities and personal guarantee of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.
 - ii) Loans amounting to ₹ 1,500.00 Million (As at 30th June, 2013 ₹ Nil) are secured by first *pari-passu* charge on book debts of consumer electronics and home appliances division which are not charged to bankers for securing working capital loans. The loan is further secured by personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot and Mr. Rajkumar N. Dhoot.
 - iii) Loans amounting to ₹ 6,000.00 Million (As at 30th June, 2013 ₹ Nil) is secured against fixed deposits held by the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

- iv) Loans amounting to ₹ 1,000.00 Million (As at 30th June, 2013 ₹ Nil) is secured by subservient charge on current assets of the Company, pledge of equity shares of Videocon d2h Limited held by other entities, mortgage of specified properties owned by other entities, assignment of receivables from these properties and personal guarantee of Mr. Venugopal N. Dhoot.
- b) Working Capital Loans from Banks are secured by hypothecation of the Company's stock of raw materials, packing materials, stock-in-process, finished goods, stores and spares, book debts of Glass Shell Division and personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot and Mr. Rajkumar N. Dhoot.

7.2 Unsecured Loans

- i) Unsecured Loans from Banks amounting to ₹ 9,250.00 Million (As at 30th June, 2013 ₹ Nil) is secured by exclusive charge over the land situated at Dist. Rewa, Madhya Pradesh owned by other entities, stake in PT. Gaung Alam Semesta's coal concession in Indonesia owned by other entities and personal guarantee of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.
- ii) Unsecured Loans from Banks amounting to ₹ 1,249.93 Million (As at 30th June, 2013 ₹ Nil) is secured by equitable mortgage of property owned by other entities and personal guarantee of Mr. Venugopal N. Dhoot, Mr. Rajkumar N. Dhoot and Mr. Pradipkumar N. Dhoot.

8. TRADE PAYABLES

Micro, Small and Medium Enterprises
Others

	(₹ in Million)	
	As at 31st Dec., 2014	As at 30th June, 2013
	75.16	79.93
	11,449.54	11,332.91
Total	11,524.70	11,412.84

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

a) Principle amount remaining unpaid as at the end of the period	75.16	79.93
b) Interest due thereon as at the end of the period	0.42	0.16
c) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the suppliers beyond the appointed day during the period	6.25	2.80
d) Interest due and payable for the period of delay in making payment	0.42	0.16
e) Interest accrued and remaining unpaid at the end of the period	0.42	0.16
f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

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

9. OTHER CURRENT LIABILITIES

Current maturities of Long-Term Borrowings (Refer Note No. 4)
Bank Overdraft as per books
Interest accrued but not due on Borrowings
Interest accrued and due on Borrowings
Unclaimed Dividend
Creditors for Capital Expenditure
Payable to Related Parties
Other Payables

	(₹ in Million)	
	As at 31st Dec., 2014	As at 30th June, 2013
	16,014.80	10,892.34
	3.73	106.14
	2,340.56	1,878.05
	-	3,774.88
	10.24	10.44
	80.33	8,628.35
	7,535.22	9.87
	3,800.72	2,923.86
Total	29,785.60	28,223.93

10. SHORT-TERM PROVISIONS

Proposed Dividend - Equity Shares
Proposed Dividend - Preference Shares
Provision for Tax on Dividend
Provision for Warranty and Maintenance Expenses (Refer Note No. 32)
Provision for Gratuity (Refer Note No. 33B)
Provision for Leave Encashment (Refer Note No. 33B)

	230.14	198.77
	3.16	27.68
	46.65	38.48
	648.46	653.24
	28.50	23.27
	6.24	5.41
Total	963.15	946.85

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**11. FIXED ASSETS**

(₹ in Million)

Particulars	Gross Block				Depreciation/Amortisation/Impairment				Net Block		
	As at 30th June, 2013	Additions	Deductions/ Adjustments	As at 31st Dec., 2014	As at 30th June, 2013	For the period	Deductions/ Adjustments	As at 31st Dec., 2014	As at 31st Dec., 2014	As at 30th June, 2013	
i) Tangible Assets											
Freehold Land	156.47	1.35	-	157.82	-	-	-	-	157.82	156.47	
Leasehold Land	48.05	-	-	48.05	12.14	1.17	-	13.31	34.74	35.91	
Building	6,646.15	8.51	15.63	6,639.03	2,497.37	238.95	0.85	2,735.47	3,903.56	4,148.78	
Leasehold Improvements	39.33	-	-	39.33	39.15	-	-	39.15	0.18	0.18	
Plant and Machinery	102,041.32	8,446.16	30.47	110,457.01	48,418.60	8,160.83	12.03	56,567.40	53,889.61	53,622.72	
Furnace	1,576.39	-	-	1,576.39	1,560.62	-	-	1,560.62	15.77	15.77	
Electrical Installation	172.73	2.92	-	175.65	113.62	10.43	-	124.05	51.60	59.11	
Computers	256.00	12.71	0.04	268.67	235.28	7.59	0.02	242.85	25.82	20.72	
Furniture and Fixtures	213.72	4.42	0.11	218.03	157.52	10.47	0.02	167.97	50.06	56.20	
Office Equipments	337.63	14.27	-	351.90	220.79	14.16	-	234.95	116.95	116.84	
Vehicles	1,228.26	117.56	43.19	1,302.63	635.95	164.44	30.40	769.99	532.64	592.31	
Total (i)	112,716.05	8,607.90	89.44	121,234.51	53,891.04	8,608.04	43.32	62,455.76	58,778.75	58,825.01	
ii) Intangible Assets											
Computer Software	271.78	6.25	-	278.03	235.00	28.91	-	263.91	14.12	36.78	
Producing Properties	4,847.31	1,333.26	-	6,180.57	4,425.93	1,221.16	-	5,647.09	533.48	421.38	
Total (ii)	5,119.09	1,339.51	-	6,458.60	4,660.93	1,250.07	-	5,911.00	547.60	458.16	
Total (i+ii)	117,835.14	9,947.41	89.44	127,693.11	58,551.97	9,858.11	43.32	68,366.76	59,326.35	59,283.17	
As at 30th June, 2013	107,275.72	12,122.29	1,562.87	117,835.14	51,425.16	8,243.50	1,116.69	58,551.97	59,283.17		
iii) Capital Work-in-Progress	6,674.55			7,292.92					7,292.92	6,674.55	

12. NON-CURRENT INVESTMENTS**QUOTED****A. In Equity Shares (Fully Paid-up) - Trade**

	Face Value	As at 31st Dec., 2014		As at 30th June, 2013	
		Nos.	₹ in Million	Nos.	₹ in Million
Samtel Electronics Devices Limited	₹ 10	82,000	0.16	82,000	0.11
Trend Electronics Limited	₹ 10	1,408,800	25.41	1,408,800	25.41
Value Industries Limited	₹ 10	1,971,973	19.66	1,971,973	12.52
			45.23		38.04

B. In Equity Shares (Fully Paid-up) - Others

AI Champdany Industries Limited	₹ 5	18,000	0.36	18,000	0.36
Asian Electronics Limited	₹ 5	40,000	0.13	40,000	0.13
Assam Company (India) Limited	₹ 1	10,000	0.05	10,000	0.04
Bajaj Auto Limited	₹ 10	20,848	21.66	20,848	21.66
Dhoot Industrial Finance Limited	₹ 10	4,800	0.09	4,800	0.03
Expo Gas Containers Limited	₹ 4	7,600	0.05	7,600	0.05
GTL Infrastructure Limited	₹ 10	500,000	1.21	500,000	0.84
Indbank Merchant Banking Services Limited	₹ 10	298,557	2.45	298,557	1.08
India Steel Works Limited [₹ 3.965 (As at 30th June, 2013 ₹ 3,965)]	₹ 1	1,300	-	1,300	-
IOL Netcom Limited	₹ 10	1,567,374	9.87	1,567,374	9.87
Jayaswal Neco Industries Limited	₹ 10	253,850	2.81	253,950	1.81
Lumax Industries Limited	₹ 10	7,000	2.16	7,000	2.16
Man Industries Limited	₹ 5	300,000	28.01	300,000	28.01
Mold-Tek Packaging Limited	₹ 10	1,800	0.15	1,800	0.06
Prime Securities Limited	₹ 5	1,774,153	9.46	1,774,153	6.17

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

12. NON-CURRENT INVESTMENTS (Contd.)

Shree Ram Urban Infrastructure Limited	₹ 10	70,048	7.02	85,000	7.36
Sri Lakshmi Saraswathi Textiles (Arni) Limited	₹ 10	8,700	0.12	8,700	0.12
Sujana Metal Products Limited	₹ 5	168,731	0.57	168,731	0.12
Swan Mills Limited	₹ 2	-	-	837,629	97.08

Face Value	As at 31st Dec., 2014		As at 30th June, 2013		
	Nos.	₹ in Million	Nos.	₹ in Million	
		86.14		176.93	
UNQUOTED					
A. In Equity Shares (Fully Paid-up) - Trade					
Akai Consumer Electronics India Limited	₹ 10	35,000	0.35	35,000	0.35
Applicomp (India) Limited	₹ 10	17,023,500	170.24	17,023,500	170.24
CE India Limited	₹ 10	911	0.04	911	0.04
Cristal (Cayman) Limited	US\$ 1	579,500	28.35	579,500	28.35
Digital Display Devices S.p.A.	€ 1	36,000	1.96	36,000	1.96
Eagle Corporation Limited	US\$ 1	1,000	0.05	1,000	0.05
Eagle ECorp Limited	US\$ 1	10,000	0.44	10,000	0.44
Emerald Corporate Ventures Limited	US\$ 1	1,000	0.05	1,000	0.05
Hyundai Electronics India Limited	₹ 10	9,500	0.10	9,500	0.10
Indian Refrigerator Company Limited	₹ 10	1,990,000	19.90	1,990,000	19.90
Jupiter Corporation Inc	US\$ 1	190	0.01	190	0.01
KAIL Limited	₹ 10	-	-	1,521,000	111.26
Millennium Appliances India Limited	₹ 10	-	-	4,750,000	95.00
Techno Kart India Limited* (formerly Next Retail India Limited)	₹ 10	21,036,000	650.36	21,036,000	650.36
Plugin Sales Limited	₹ 100	1,900	0.19	1,900	0.19
PT Videocon Indonesia	US\$ 50	475	0.94	475	0.94
Powerking Corporation Limited	US\$ 1	2,711	0.13	2,711	0.13
Quadrant Corporation Inc	US\$ 1	190	0.01	190	0.01
Radium Energy Private Limited - (Associate Company)	₹ 10	2,600	0.03	2,600	0.03
Sapphire Overseas Inc.	US\$ 1	1,900	0.08	1,900	0.08
Techno Electronics Limited	₹ 10	-	-	20,117,647	201.18
TekCare India Private Limited	₹ 10	1,900	0.02	1,900	0.02
VCIL Netherlands B.V.	€ 100	34	0.13	34	0.13
Venus Corporation Limited	US\$ 1	2,982	0.14	2,982	0.14
Videocon Realty and Infrastructures Limited	₹ 10	8,125	0.83	8,125	0.83
		874.31		1,281.75	
B. In Equity Shares (Fully Paid-up) - Others					
Scan Infrastructure Limited (formerly Bolton Properties Limited)	₹ 10	112,500	13.66	112,500	13.66
Abhideep Global Finance Limited (formerly Cube Fintex Private Limited)	₹ 10	45,000	22.50	45,000	22.50
Deve Sugars Limited	₹ 10	125,000	0.13	125,000	0.13
Ease Finance Limited	₹ 10	4,800	0.96	4,800	0.96
Evans Fraser & Co. (India) Limited	₹ 100	91,250	49.13	91,250	49.13
Geekay Exim (India) Limited	₹ 10	80,000	0.08	80,000	0.08
Gold Crest Electronics Private Limited	₹ 10	-	-	47,500	0.48
Good Value Marketing Company Limited	₹ 10	25,000	0.03	25,000	0.03
H1 Hospitality Private Limited	₹ 10	1,900	0.02	1,900	0.02
Holzmann Videocon Engineers Limited	₹ 10	990,600	-	990,600	-
Kay Kay Construction Limited	₹ 10	4,500	0.90	4,500	0.90
Kores (India) Limited	₹ 10	1,170,000	1.17	1,170,000	1.17

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**12. NON-CURRENT INVESTMENTS (Contd.)**

	Face Value	As at 31st Dec., 2014		As at 30th June, 2013	
		Nos.	₹ in Million	Nos.	₹ in Million
Lexus Infotech Limited	₹ 10	500,000	50.00	500,000	50.00
Motcab Finance Private Limited	₹ 10	100,000	10.00	-	-
Mayank Global Finance Limited	₹ 10	16,068	1.80	2,218	1.11
Mayank Securities Private Limited	₹ 10	59,420	9.71	59,420	9.71
Panorama Logistic Solutions Limited	₹ 10	5,000	0.05	5,000	0.05
Paramount Global Limited	US\$ 1	256,000	11.24	256,000	11.24
Siris Limited	₹ 10	13,200	0.01	13,200	0.01
Sky Billion Trading Limited	US\$ 1	203,680	9.43	203,680	9.43
Snipher Infocom Private Limited	₹ 100	500,000	50.00	-	-
Diamond Polymers Private Limited	₹ 10	30,000	15.00	30,000	15.00
(formerly Tara Holdings Private Limited)					
The Banaras State Bank Limited	₹ 100	25,000	0.03	25,000	0.03
Titan Realty Private Limited	₹ 10	2,500	0.03	2,500	0.03
Trinity Infratech Private Limited	₹ 10	500,000	80.00	500,000	80.00
Veronica Properties Private Limited	₹ 10	2,500	0.03	2,500	0.03
Videocon (Mauritius) Infrastructure Ventures Limited	US\$ 1	100,700	4.29	100,700	4.29
Videocon Realty Private Limited	₹ 10	2,500	0.03	2,500	0.03
Videocon SEZ Infrastructures Private Limited	₹ 10	2,500	0.03	2,500	0.03
Yash - V - Jewels Limited	₹ 10	500,000	50.00	500,000	50.00
Zodiac Corporation Limited	US\$ 1	190	0.01	190	0.01
			380.24		320.02
C. In Equity Shares (Fully Paid-up) - Subsidiaries					
Chhattisgarh Power Ventures Private Limited	₹ 10	10,000	0.10	10,000	0.10
Liberty Videocon General Insurance Company Limited	₹ 10	556,450,000	5,564.50	279,950,000	2,799.50
Middle East Appliances LLC	RO 1	2,251,800	361.77	2,251,800	270.14
Pipavav Energy Private Limited *	₹ 10	550,000,000	5,500.00	550,000,000	5,500.00
Prosperous Energy Private Limited	₹ 10	10,000	0.10	10,000	0.10
Senior Consulting Private Limited	₹ 10	1	0.11	1	0.11
Videocon Electronics (Shenzhen) Limited	US\$ 1	135,000	6.42	135,000	6.42
(Chinese name - Weiyokang Electronic (Shenzhen) Co., Ltd.)					
Videocon Energy Limited	₹ 10	100,000,000	1,000.00	100,000,000	1,000.00
Videocon Global Limited	US\$ 1	802,500	44.48	802,500	44.48
Videocon Hydrocarbon Holdings Limited *	US\$ 1	2,030,000	92.75	2,030,000	92.75
Videocon International Electronics Limited *	₹ 10	3,000,000,000	30,000.00	3,000,000,000	30,000.00
Videocon Oil Ventures Limited *	₹ 10	100,000,000	1,000.00	100,000,000	1,000.00
Videocon Telecommunications Limited *	₹ 10	1,016,177,918	10,161.78	563,487,120	5,634.87
			53,732.01		46,348.47
D. In Equity Shares (Fully Paid-up) - Joint Ventures					
Videocon Infinity Infrastructure Private Limited	₹ 10	5,000	0.05	5,000	0.05
			0.05		0.05
E. In Preference Shares (Fully Paid-up)					
Plugin Sales Limited	₹ 100	3,800	0.38	3,800	0.38
Trend Electronics Limited	₹ 100	10,000,000	1,000.00	10,000,000	1,000.00
Videocon Power Limited	₹ 10	5,000,000	20.00	5,000,000	20.00
			1,020.38		1,020.38

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

12. NON-CURRENT INVESTMENTS (Contd.)

F. In Bonds (Fully Paid-up)

Central Bank of India
IFCI Limited

Face Value	As at 31st Dec., 2014		As at 30th June, 2013	
	Nos.	₹ in Million	Nos.	₹ in Million
₹ 1,000,000	50	50.00	50	50.00
₹ 1,000	20,000	20.00	-	-
		70.00		50.00
G. Other Investments				
i) In Shares (Fully Paid-up) of Co-Operative Bank				
Ahmednagar District Urban Central Co-Operative Bank Ltd. [₹ 500 (Previous year ₹ 500)]	₹ 50	10	-	10
Bharati Sahakari Bank Limited	₹ 50	7,670	0.38	7,670
Bombay Mercantile Co-Operative Bank Limited	₹ 10	4,166	0.04	4,166
Janata Sahakari Bank Limited	₹ 10	857	0.09	857
The Saraswat Co-Operative Bank Limited	₹ 10	1,000	0.01	1,000
(i)			0.52	0.52
ii) In Shares (Fully Paid-up) of Co-Operative Society				
[₹ 250 (Previous year ₹ 250)]	(ii) ₹ 50	5	-	5
(i+ii)			0.52	0.52
H. Share Application Money Pending Allotment				
Middle East Appliances LLC			-	91.63
			-	91.63
Total Non-Current Investments		56,208.88		49,327.79
Aggregate amount of Quoted Investments		131.37		214.97
Aggregate Market value of Quoted Investments		149.70		240.50
Aggregate amount of Unquoted Investments		56,077.51		49,112.82

* Out of total Investments mentioned above, 10,036,000 Equity Shares of Techno Kart India Limited, 27,500,000 Equity Shares of Pipavav Energy Private Limited, 2,030,000 Equity Shares of Videocon Hydrocarbon Holdings Limited, 100,000,000 Equity Shares of Videocon Oil Ventures Limited, 1,020,000,000 Equity Shares of Videocon International Electronics Limited and 83,430,770 Equity Shares of Videocon Telecommunications Limited are pledged with Banks and Financial Institutions as security for avilment of certain loans.

13. LONG TERM LOANS AND ADVANCES

(Unsecured, considered good)

	(₹ in Million)	
	As at 31st Dec., 2014	As at 30th June, 2013
Capital Advances	76.42	43.35
Other Deposits	529.47	218.73
MAT Credit Entitlement	7.37	-
Advance Income Tax (Net of Provision)	529.82	138.58
Loans and Advances to Related Parties (Refer Note No. 46)	44,573.86	47,512.23
Loans and Advances to Others	33,453.79	26,828.64
Total	79,170.73	74,741.53

14. CURRENT INVESTMENTS

UNQUOTED - Others In Units of Mutual Funds

Face Value	As at 31st Dec., 2014		As at 30th June, 2013	
	Nos.	₹ in Million	Nos.	₹ in Million
Baroda Pioneer PSU Equity Fund	₹ 10	250,000	2.24	250,000
Canara Robeco Multicap-Growth	₹ 10	250,000	2.50	250,000
HDFC PMS Real Estate Fund	₹ 10	243,691	2.44	325,960
IDFC Cash Fund - Growth	₹ 1000	36,188	53.21	24,074
Total		60.39		41.63

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

	(₹ in Million)			(₹ in Million)	
	As at 31st Dec., 2014	As at 30th June, 2013		As at 31st Dec., 2014	As at 30th June, 2013
15. INVENTORIES					
(As taken, valued and certified by the Management)					
Raw Materials including Consumables, Stores and Spares	14,625.16	13,527.94			
Materials in Transit and in Bonded Warehouse	2,682.83	2,560.53			
Work-in-Process	1,288.29	994.04			
Finished Goods and Stock in Trade	4,654.40	4,171.24			
Drilling and Production Materials	428.91	222.20			
Crude Oil	361.40	103.02			
Total	24,040.99	21,578.97			
16. TRADE RECEIVABLES (Unsecured)					
Outstanding for a period exceeding six months					
Considered Good	656.41	691.02			
Considered Doubtful	234.54	198.19			
	890.95	889.21			
Less: Provision for Doubtful Debts	234.54	198.19			
	656.41	691.02			
Others - Considered Good	27,971.21	27,635.98			
Total	28,627.62	28,327.00			
17. CASH AND BANK BALANCES					
Cash and Cash Equivalents					
Cash on hand	8.34	7.12			
Cheques/Drafts on hand/in transit	0.08	0.63			
Balances with Banks in Current Accounts	3,183.77	1,262.04			
(a)	3,192.19	1,269.79			
Other Bank Balances					
In Dividend Warrant Accounts	10.24	10.44			
In Fixed Deposits earmarked towards Site Restoration costs	826.99	624.14			
In Fixed Deposits:					
a) Maturity 12 months or less:					
- Held as margin money for credit facilities and other commitments	11,647.09	2,791.86			
- Given as security for short term loan of ₹ 6,000.00 Million	6,000.00	-			
b) Maturity more than 12 months:					
- Held as margin money for credit facilities and other commitments	246.23	162.03			
- Lien in favour of the Registrar, Supreme Court of India (Refer Note No. 38)	2,574.22	-			
(b)	21,304.77	3,588.47			
Total (a+b)	24,496.96	4,858.26			
18. SHORT TERM LOANS AND ADVANCES					
(Unsecured, considered good)					
Balance with Central Excise/Customs Department	362.23	473.05			
Other Deposits	7.57	16.32			
Loans and Advances to Related Parties (Refer Note No. 46)	153.25	3,527.08			
Loans and Advances to Others	100,729.39	117,254.69			
Total	101,252.44	121,271.14			
19. OTHER CURRENT ASSETS					
Interest Accrued	364.62	497.32			
Insurance Claim Receivable	1.13	1.45			
Other Receivables from Related Parties	625.89	2,391.99			
Other Receivables	192.41	296.78			
Total	1,184.05	3,187.54			
20. REVENUE FROM OPERATIONS					
Sale of Products	194,320.15	187,299.44			
Income from Services	53.98	57.79			
Other Operating Revenue	632.46	396.61			
Total	195,006.59	187,753.84			
20.1 Particulars of Sale of Products					
Electrical and Electronic items	175,105.79	167,365.20			
Crude Oil and Natural Gas	18,985.90	19,700.64			
Electricity (Power)	228.46	233.60			
Total	194,320.15	187,299.44			
21. OTHER INCOME					
Interest Income	1,801.71	491.40			
Income from Investments and Securities Division (Refer Note No. 31.2)	252.26	45.55			
Profit on Sale of Fixed Assets	110.88	637.11			
Insurance Claim Received	34.14	34.12			
Other Non Operating Income	9,452.43	2,974.48			
Total	11,651.42	4,182.66			
22. COST OF MATERIALS CONSUMED					
Imported	31.35	18,980.60	31.16	17,651.61	
Indigenous	68.65	41,569.45	68.84	38,992.09	
Total	100.00	60,550.05	100.00	56,643.70	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

	(₹ in Million)			(₹ in Million)	
	18 Months ended 31st Dec., 2014	18 Months ended 30th June, 2013		18 Months ended 31st Dec., 2014	18 Months ended 30th June, 2013
22.1 Particulars of Materials Consumed					
Printed Circuit Board (All types)	13,387.66	12,470.66			
Active & Passive Components	14,582.40	13,568.02			
Plastic and Wooden Parts	11,051.26	10,367.50			
Other Raw Materials	21,528.73	20,237.52			
Total	60,550.05	56,643.70			
23. PURCHASES OF STOCK-IN-TRADE					
Electrical and Electronic items	59,621.35	59,133.82			
Total	59,621.35	59,133.82			
24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE					
Closing Inventories					
Finished Goods and Stock-in-Trade	5,015.80	4,274.26			
Work-in-Process	1,288.29	994.04			
(a)	6,304.09	5,268.30			
Opening Inventories					
Finished Goods and Stock-in-Trade	4,274.26	3,860.59			
Work-in-Process	994.04	830.39			
(b)	5,268.30	4,690.98			
(b-a)	(1,035.79)	(577.32)			
25. PRODUCTION AND EXPLORATION EXPENSE - OIL AND GAS					
Production and Exploration Expenses	4,401.95	1,048.65			
Royalty	267.98	322.01			
Cess	350.17	371.20			
Production Bonus	50.16	71.66			
Government Share in Profit Petroleum	8,265.53	10,812.77			
Insurance Expenses	46.19	42.05			
Total	13,381.98	12,668.34			
26. EMPLOYEE BENEFITS EXPENSE					
Salary, Wages and Other Benefits	3,998.15	3,616.20			
Contribution to Provident Fund and Other Funds	191.61	189.05			
Staff Welfare Expenses	171.98	174.69			
Total	4,361.74	3,979.94			
27. FINANCE COSTS					
Interest Expenses	34,000.20	25,218.53			
Other Borrowing Costs	941.03	965.93			
Applicable Net Loss/(Gain) on Foreign Currency Transactions and Translations	247.73	963.72			
Total	35,188.96	27,148.18			
28. OTHER EXPENSES					
Power, Fuel and Water	1,210.79	1,421.14			
Freight and Forwarding	1,842.95	2,097.75			
Vehicle Running Expenses	754.27	388.55			
Rent	336.93	295.26			
Rates and Taxes	250.07	228.58			
Repairs to Building	12.11	9.87			
Repairs to Plant and Machinery	90.30	90.08			
Other Repairs and Maintenance	84.48	73.02			
Insurance	94.34	100.37			
Advertisement and Publicity	2,345.04	2,545.66			
Sales Promotion Expenses	237.21	215.48			
Discount and Incentive Schemes	7,259.80	6,903.97			
Bank Charges	249.41	383.30			
Payment to Auditors (Refer Note No. 31.5)	23.26	22.01			
Donation	238.62	89.91			
[Includes amount paid to Bharatiya Janata Party ₹ 111.00 Million, Indian National Congress ₹ 5.00 Million, Nationalist Congress Party ₹ 50.00 Million and Telgu Desam Party ₹ 5.00 Million (Previous period Bharatiya Janata Party ₹ 1.00 Million, Nationalist Congress Party ₹ 10.00 Million)]					
Directors' Sitting Fees	1.75	1.99			
Legal and Professional Charges	341.31	399.17			
Royalty	354.30	262.39			
Printing and Stationery	34.56	34.27			
Warranty and Maintenance	1,360.01	1,332.68			
Provision for Doubtful Debts	36.51	91.27			
Exchange Rate Fluctuation	780.74	1,358.83			
Office and General Expenses	1,416.34	1,314.86			
Total	19,355.10	19,660.41			
29. TAX EXPENSES					
Current Tax	7.37	-			
MAT Credit Entitlement	(7.37)	-			
Deferred Tax	15.55	(274.25)			
(Excess)/Short Provision of Income Tax for earlier years	-	(154.59)			
Total	15.55	(428.84)			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

		(₹ in Million)				(₹ in Million)	
		18 Months ended 31st Dec., 2014	18 Months ended 30th June, 2013			18 Months ended 31st Dec., 2014	18 Months ended 30th June, 2013
30. EARNINGS PER SHARE							
i)	Net Profit/(Loss) attributable to Equity Shareholders						
	Net Profit/(Loss) for the period	30.40	(716.32)				
	Less: Dividend on Preference Shares including Tax on the same	3.79	32.38				
	Net Profit/(Loss) attributable to Equity Shareholders	26.61	(748.70)				
ii)	Weighted Average Number of Equity Shares considered for calculation of Basic EPS	319,054,381	314,683,004				
	Weighted Average Number of Equity Shares considered for calculation of Diluted EPS	319,054,381	314,683,004				
	(The effect of conversion option of FCCBs is anti dilutive in nature)						
iii)	Basic Earnings per Share of ₹ 10/- each (₹)	0.08	(2.38)				
	Diluted Earnings per Share of ₹ 10/- each (₹)	0.08	(2.38)				
31. ADDITIONAL NOTES TO FINANCIAL STATEMENTS							
31.1 During the period, there is a write back of ₹ 15.45 Million (Previous period ₹ 1.73 Million) against the diminution recognised in earlier years in the value of investments.							
31.2 The Company has kept the investment activities separate and distinct from other businesses. Consequently, all the income and expenditure pertaining to investment activities have been allocated to the Investments and Securities Division and the income/(loss) after netting of the related expenditure has been shown as "Income/(Loss) from Investments and Securities Division" under "Other Income" which includes in respect of the long term investments, dividend of ₹ 1.97 Million (Previous period ₹ 1.89 Million), interest on bonds of ₹ 6.96 Million (Previous period ₹ 6.96 Million), profit on sale/disposal of investments of ₹ 94.60 Million (Previous period ₹ 43.05 Million) and in respect of current investments, dividend of ₹ Nil (Previous period ₹ 0.27 Million).							
				31.3 C.I.F. Value of Imports, Expenditure and Earnings in Foreign Currency			
				a)	C.I.F. Value of Imports:		
					Raw Materials	30,875.55	23,884.27
					Capital Goods (including advances)	225.98	213.56
				b)	Expenditure incurred in Foreign Currency:		
					Cash Call paid to the Operator for the project	-	284.15
					Interest and Bank Charges	1,519.65	1,429.31
					Royalty	403.88	266.04
					Travelling	34.01	43.15
					Others	29.55	72.65
				c)	Other Earnings/Receipts in Foreign Currency:		
					F.O.B. Value of Exports	6,955.65	6,428.15
					Others (including reimbursement of Expenses)	24,073.50	4,132.45
						18 Months ended 31st Dec., 2014	18 Months ended 30th June, 2013
				31.4 Remittance in Foreign Currency on account of Dividend			
The Company has paid dividend in respect of shares held by Non-Residents on repatriation basis where the amount is also credited to Non-Resident External Account (NRE A/c). The exact amount of dividend remitted in foreign currency can not be ascertained. The total amount remittable in this respect is given below:							
				a)	Number of Non-Resident Shareholders	1,063	1,217
				b)	Number of Equity Shares held by them	37,355,877	38,531,878
				c)	Gross Amount of Dividend (₹ in Million)	74.71	19.27
				d)	Year to which dividend relates	FY 2013	FY 2011
						18 Months ended 31st Dec., 2014	18 Months ended 30th June, 2013
				31.5 Payment to Auditors			
				a)	Statutory Audit Fees	12.00	10.50
				b)	Tax Audit Fees	1.40	2.80
				c)	Out of Pocket Expenses	0.36	0.34
				d)	Other Services	9.50	8.37
					Total	23.26	22.01

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

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

	(₹ in Million)	
	18 Months ended 31st Dec., 2014	18 Months ended 30th June, 2013
a) Amount at the beginning of the period	653.24	632.15
b) Additional provision made during the period	648.46	653.24
c) Amount used	624.71	602.89
d) Unused amount reversed during the period	28.53	29.26
e) Amount at the end of the period	648.46	653.24

33. EMPLOYEE BENEFITS:

Disclosure pursuant to Accounting Standard (AS) 15 (Revised):

A) Defined Contribution Plans:

Amount of ₹ 191.61 Million (Previous period ₹ 189.05 Million) related to contribution to Provident and Other Funds are recognised as an expense and shown under the head "Employee Benefits Expense" (Note No. 26) in the Statement of Profit and Loss.

B) Defined Benefit Plans:

	(₹ in Million)			
	Gratuity		Leave Encashment	
	31st Dec., 2014	30th June, 2013	31st Dec., 2014	30th June, 2013
I) The amounts recognised in the Balance Sheet as at the end of the period:				
a) Present value of Defined Benefit Obligation	256.37	223.73	54.62	54.67
b) Fair value of Plan Assets	75.89	55.34	-	-
c) Funded Status - Surplus/(Deficit)	(180.48)	(168.39)	(54.62)	(54.67)
d) Net Assets/(Liability)				
i) Non-Current	(151.98)	(145.12)	(48.38)	(49.26)
ii) Current	(28.50)	(23.27)	(6.24)	(5.41)
II) The amounts recognised in the Statement of Profit and Loss for the period:				
a) Current Service Cost	52.25	54.75	21.75	20.35
b) Interest Cost	27.84	22.47	5.85	5.21
c) Actuarial (Gains)/ Losses	(19.75)	13.54	6.48	22.45

	(₹ in Million)			
	Gratuity		Leave Encashment	
	31st Dec., 2014	30th June, 2013	31st Dec., 2014	30th June, 2013
d) Actual return on Plan Assets	8.78	7.52	-	-
e) Total Expenses	51.56	83.24	34.08	48.01
III) The changes in Obligations during the period:				
a) Present value of Defined Benefit Obligation at the beginning of the period	223.73	158.49	54.67	44.29
b) Current Service Cost	52.25	54.75	21.75	20.35
c) Interest Cost	27.84	22.47	5.85	5.21
d) Actuarial (Gains)/ Losses	(19.75)	13.54	6.48	22.45
e) Benefit Payments	27.70	25.52	34.13	37.63
f) Present value of Defined Benefit Obligation at the end of the period	256.37	223.73	54.62	54.67
IV) The changes in Plan Assets during the period:				
a) Plan Assets at the beginning of the period	55.34	54.74	-	-
b) Contribution by Employer	22.80	8.36	-	-
c) Actual Benefits paid	11.03	15.28	-	-
d) Plan Assets at the end of the period	75.89	55.34	-	-
e) Actual return on Plan Assets	8.78	7.52	-	-
V) Actuarial Assumptions				
a) Discount Rate	- 8.00% per annum			
b) Mortality	- Indian Assured Lives Mortality (2006-08) Ultimate			
c) Turnover Rate	- 5% at younger ages reducing to 1% at older ages			
d) Future Salary Increase	- 5% per annum			

	(₹ in Million)	
	As at 31st Dec., 2014	As at 30th June, 2013
34. CONTINGENT LIABILITIES AND COMMITMENTS		
A) Commitments		
Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	1,032.83	508.19
B) Contingent Liabilities not provided for:		
i) Letters of Guarantees	43,086.10	39,317.01

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

		(₹ in Million)	
		As at 31st Dec., 2014	As at 30th June, 2013
ii)	Letters of Credit opened (including Standby Letters of Credit and Letter of Comfort)	82,394.06	61,216.92
iii)	Claims against the Company not acknowledged as debts		
a)	Custom Duty demands and penalties under dispute [Amount paid under protest ₹ 0.07 Million (As at 30th June, 2013 ₹ 3.41 Million)]	282.77	502.46
b)	Income Tax demands under dispute	217.63	3,149.41
c)	Excise Duty and Service Tax demands and penalties under dispute [Amount paid under protest ₹ 31.53 Million (As at 30th June, 2013 ₹ 30.86 Million)]	1,230.79	1,034.95
d)	Sales Tax demands under dispute [Amount paid under protest ₹ 70.93 Million (As at 30th June, 2013 ₹ 377.09 Million)]	1,135.24	1,131.51
e)	Others [Amount paid under protest ₹ 50.00 Million (As at 30th June, 2013 ₹ 50.00 Million)]	2,166.72	2,153.30
f)	Show Cause Notices (SCNs) have been served on the Operator of the Ravva Oil & Gas Field Joint Venture (Ravva JV) for non payment of Service Tax and Educational Cess on various services for the period July 2003 to 31st March, 2013. The amount involved relating to Ravva Block is ₹ 419.71 Million (As at 30th June, 2013 ₹ 418.88 Million). The Operator is contesting the SCNs/demands before Commissioner of Service Tax and has filed appeal before CESTAT, Bangalore and also writ petition before Hon'ble High Court of Madras challenging service tax demands on some of the services and believes that its position is likely to be upheld. The ultimate outcome of the matter cannot be presently determined and no provision for any liability that may result has been made in the accounts as the same is subject to agreement by the members of the Joint Venture. Should it ultimately become payable, the Company's share as per the participating interest would be upto ₹ 104.93 Million (As at 30th June, 2013 ₹ 104.72 Million).		
g)	Disputed Income Tax demand amounting to ₹ 22.29 Million (As at 30th June, 2013 ₹ 22.29 Million) in respect of certain payments made by Ravva Oil & Gas Field Joint Venture		

is currently pending before the Hon'ble High Court of Madras. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made as the same is subject to agreement by the members of the Joint Venture. Should it ultimately become payable, the Company's share as per the participating interest would be upto ₹ 5.57 Million (As at 30th June, 2013 ₹ 5.57 Million).

35. There are certain disputes with the Government of India ("GOI") with respect to the Production Sharing Contract dated 28th October, 1994 ("Ravva PSC") pertaining to Ravva Oil & Gas Field which were referred to more than one international arbitration for resolution. The respective International Arbitral Tribunals have issued their respective Awards from time to time substantially in favour of the Company. However the GOI has preferred to challenge few of the Awards in various Courts in India and overseas but has not succeeded so far in any of the Courts. Pending final resolution of the disputes, certain amounts have been excess recovered, deducted or short paid by the GOI and / or its Nominees which have been challenged by the Company and the Company is seeking recovery of amounts excessively recovered, deducted or short paid by the GOI and/ or its Nominees. Based on legal advice, the Company believes its contentions will be upheld. Any further sum required to be paid by the Company or recoverable by the Company in respect of any of these disputes in accordance with the determination of the amount by the Hon'ble Arbitral Tribunal/relevant courts in this regard shall be accounted for on the final outcome in those matters.
36. The Company alongwith 12 other affiliates/entities (collectively referred to as 'Obligors' or individually as 'Borrower') executed Facility Agreement with the consortium of existing domestic rupee term lenders, under the obligor/co-obligor structure, wherein all the Rupee Term Loans of the Obligors are pooled together. The Borrower entities are Videocon Industries Limited, Value Industries Limited, Trend Electronics Limited, KAIL Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Sky Appliances Limited, Techno Electronics Limited, Century Appliances Limited, PE Electronics Limited, Techno Kart India Limited (formerly Next Retail India Limited), Evans Fraser and Co. (India) Limited and Videocon International Electronics Limited. As per the said Facility Agreement, the Company is agent of the Obligors and has been referred to as 'Obligor Agent'. The Rupee Term Loans have to be utilised for the purpose mentioned in the Facility Agreement which is mainly for refinancing of existing Rupee Term Loans of the Obligors. Accordingly, the Rupee Term Loans of ₹ 28,149.54 Million have been allocated to respective Obligors based on their outstanding amount as on 31st December, 2011 and the lenders have also disbursed ₹ 2,520.00 Million to some Obligors. As the Company is a co-obligor, it is contingently liable in respect of the borrowings of other Obligors/Borrowers to the extent of outstanding balance of Rupee Term Loans as on 31st December, 2014 of ₹ 30,051.55 Million (As at 30th June, 2013 ₹ 20,307.40 Million).
37. The Consortium of various banks have sanctioned the Letter of Comfort (LoC)/Stand-by Letters of Credit (SBLC) facility to the Company and its subsidiary Videocon Oil Ventures Limited (VOVL) (collectively referred to as 'Obligors') to secure the foreign currency facility raised / to be raised by Videocon Hydrocarbon Holdings Limited (VHHL), an overseas subsidiary, from its lenders. The LoC/SBLC facility is secured by first ranking

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

pledge of 100% shares of VOVL, VHHL and shares of certain subsidiaries of VHHL, charge over their fixed assets, VHHL's share of cash flows from identified oil & gas assets through escrow of receivables, first ranking / exclusive charge on specified bank accounts for the benefit of the relevant LoC/SBLC provider, exclusive charge on oil & gas facility servicing account of Obligors set-up under the onshore Trust and Retention Accounts, negative lien for shares of other subsidiaries of VHHL viz. Videocon JPDA 06-103 Limited and Videocon Australia WA-388P Limited, first *pari-passu* charge on Videocon brand and personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot and Mr. Rajkumar N. Dhoot.

Accordingly, the Company is contingently liable in respect of the LoC/SBLC facility of VOVL to the extent of ₹ 86,504.82 Million (As at 30th June, 2013 ₹ 69,933.48 Million).

38. Intesa Sanpaolo S.p.A., an Italian bank, initiated winding up proceedings against the Company on the basis of 'Patronage Letter' issued by the Company to the said Italian bank in June, 2007 for financial assistance given to one level step down subsidiary, M/s. VDC Technologies S.p.A., an Italian defunct company acquired by another subsidiary of the Company, M/s. Eagle Corporation Limited registered in Cayman Island. Single judge *vide* judgement dated 5th December, 2013 passed a conditional order of winding up of the company on its failure to deposit in court the amount of ₹ 2,597.30 Million equivalent of Euro 38.00 Million, which was confirmed by the division bench of the High Court of Judicature at Bombay on 18th July, 2014.

The Company has challenged the order of Bombay High Court by way of Special Leave Petition ('SLP') in the Supreme Court. The Company has denied its liability out of the said 'Patronage Letter'. The Company, pending the final disposal of SLP, agreed to create lien on Fixed Deposit Receipts of ₹ 1,363.82 Million and ₹ 1,210.40 Million in favour of the Registrar of Supreme Court. The Hon'ble Supreme Court has stayed the impugned order of the Bombay High Court and directed to issue Notice for further hearing of the matter. The Company has been advised by the legal counsels that the Italian bank does not have sustainable claim against the Company and as such no provision has been considered in the financial statements.

39. The Directorate of Revenue Intelligence, Mumbai Zonal Unit ('DRI') has issued Show Cause Notice(s) ('SCN') dated 10th September, 2014 and 30th December, 2014 to the Company in connection with import of Colour Picture Tubes ('CPTs') by the Company and other concerns. *Vide* SCNs, the Company has been asked to explain / as to why the declared value of CPTs imported should not be rejected and re-determined and why the amount of anti-dumping duty of ₹ 1,657.21 Million and penalty thereon should not be recovered under the extended period under the provisions of the Customs Act, 1962.

The Company has denied the allegation made by DRI for alleged evasion of duty before the adjudicating authority. Further, the Company has been advised by its counsels that as the goods in question are not domestically produced or manufactured in India, the question of levy of anti-dumping duty is untenable in the court of laws and, accordingly, there is no question of duty evasion or penalty thereon and no provision has been considered necessary in the financial statements.

40. The Company has, directly and through its subsidiaries, made investments aggregating to ₹ 65,002.03 Million (As at 30th June, 2013 ₹ 49,337.50 Million) and also given advances of ₹ 340.46 Million (As at 30th June, 2013 ₹ 782.74 Million) to Videocon Telecommunications Limited (VTL), the subsidiary. VTL was granted the license for providing Unified Access Services (UAS) in 21 circles by the Department of Telecommunications, Government of India (DoT) in 2008 and was also allotted spectrum in 20 circles. The Hon'ble Supreme Court of India, *vide* its judgment dated 2nd February, 2012, quashed all the UAS licenses granted on or after 10th January, 2008 and the subsequent allocation of spectrum to these licensees, which also included the 21 UAS licenses granted to VTL and the spectrum allotted to it. The Hon'ble Supreme Court of India, also directed the Telecom Regulatory Authority of India (TRAI) to make fresh recommendations for grant of licenses and allocation of spectrum and the Central Government to grant fresh licenses and allocation of spectrum by auction thereafter.

The Central Government conducted the auction of spectrum in November, 2012. VTL participated in the auction and has been awarded spectrum in 6 circles. VTL is continuing its business as a going concern. As VTL has huge accumulated losses, its ability to continue as going concern is dependent on its ability to fund its operating and capital requirements. VTL is confident of mobilizing necessary resources for continuing its operations as per the business plan. Accordingly, in the opinion of the management, no provision is required for diminution in the value of aforesaid investments and advances to VTL.

41. A) Unincorporated Joint Ventures:

The Financial Statements reflect the share of the Company in the assets and the liabilities as well as the income and the expenditure of Joint Venture Operations on a line-by-line basis. The Company incorporates its share in the operations of the Joint Venture based on statements of account received from the Operator. The Company has, in terms of Significant Accounting Policy No. 1 (E), recognised abandonment costs based on the technical assessment of current costs as cost of producing properties and has provided depletion thereon under 'Unit of Production' method as part of Producing Properties in line with Guidance Note on Accounting of Oil and Gas Producing Activities issued by the Institute of Chartered Accountants of India.

The Company has participating interest of 25% in Ravva Oil and Gas Field Joint Venture (JV) through a Production Sharing Contract (PSC). Other members of the JV are Oil and Natural Gas Corporation Limited, Cairn India Limited and Ravva Oil (Singapore) Pte. Limited. The parties have pursuant to the PSC, entered into a Joint Operating Agreement. Cairn India Limited is the Operator.

B) Incorporated Jointly Controlled Entities:

- i) Videocon Infinity Infrastructures Private Limited is a 50 : 50 Joint Venture Company incorporated in India, with Infinity Infotech Parks Limited to carry on the business of infrastructure development like construction of IT/ITES Parks, Biotech Parks etc. The Joint Venture Company has not commenced its commercial operations.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

- ii) The financial interest of the Company in the jointly controlled incorporated entity based on financial statement received is as under:

Company's share in	(` in Million)	
	31st Dec., 2014	30th June, 2013
Assets	6.92	6.30
Liabilities	6.87	6.25
Income	-	-
Expenses	-	-
Tax	-	-

- c) The estimated amount of commitment of the Company towards contribution in various Joint Ventures for next year based on minimum work program is ₹ 1,708.77 Million (As at 30th June, 2013 ₹ 3,656.49 Million).
42. The outstanding balances of certain Trade Receivables, Trade Payables, Deposits, Advances and Other Current Assets/Liabilities are subject to confirmation and reconciliation, if any. However, in the opinion of the management, adjustment, if any, will not be material.
43. In the opinion of the Board, the value on realisation of Current Assets, Loans and Advances in the ordinary course of the business would not be less than the amount at which they are stated in the Balance Sheet and the provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.
44. There are no amounts due and outstanding, to be credited to the Investor Education and Protection Fund.
45. **Related Party Disclosures:**

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

A) List of Related Parties where control exists and related parties with whom transactions have taken place and relationship:

i) Subsidiaries:

- Chhattisgarh Power Ventures Private Limited
- Liberty Videocon General Insurance Company Limited
- Middle East Appliances LLC
- Pipavav Energy Private Limited
- Prosperous Energy Private Limited
- Videocon Electronics (Shenzhen) Limited (Chinese Name - Weiyoukang Electronic (Shenzhen) Co., Ltd.)
- Videocon Global Limited
- Videocon Oil Ventures Limited and its subsidiaries
 - Videocon Estelle Limited (up to 26th March, 2014)

- Videocon Ivory Limited (up to 15th February, 2014)
- Videocon Hydrocarbon Holdings Limited and its subsidiaries
 - Videocon JPDA 06-103 Limited
 - Videocon Indonesia Nunukan Inc.
 - Videocon Energy Brazil Limited
 - Videocon Australia WA-388-P Limited
 - Videocon Mauritius Energy Limited and its subsidiary
 - Videocon Mozambique Rovuma 1 Limited (upto 7th January, 2014)

- Videocon International Electronics Limited and its subsidiaries
 - Jumbo Techno Services Private Limited
 - Senior Consulting Private Limited
 - Videocon Telecommunications Limited and its subsidiary
 - Datacom Telecommunications Private Limited
- Videocon Energy Limited and its subsidiary
 - Proficient Energy Private Limited and its subsidiary
 - Applied Energy Private Limited and its subsidiaries
 - Unity Power Private Limited (up to 15th May, 2014)
 - Comet Power Private Limited and its subsidiaries
 - Indigo Energy Private Limited
 - Percept Energy Private Limited

ii) Associates and Joint Ventures:

- Radium Energy Private Limited - Associate - 26%
- Unity Power Private Limited - Associate - 26% (Associate of Applied Energy Private Limited w.e.f. 16th May, 2014)
- Videocon Infinity Infrastructure Private Limited - Joint Venture - 50%
- IBV Brasil Petroleo Limitada - (50% Joint Venture of Videocon Energy Brazil Limited)

iii) Key Management Personnel:

- Mr. Venugopal N. Dhoot - Chairman & Managing Director
- Mr. Sunil Kumar Jain - Senior Vice President
- Mr. Sunil Tandon - Senior Vice President (w.e.f. 1st July, 2013)
- Mr. Chandramani M. Singh - Vice President
- Mr. Abhijit Kotnis - Vice President
- Mr. Arun Pal - Vice President

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

B) Transactions/outstanding balances with Related Parties:

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

(₹ in Million)

Particulars	Subsidiary Companies	Associates/ Joint Venture	Key Management Personnel
Nature of Transactions			
Revenue from Operations	216.30 (51.21)		
Other Income and Reimbursement of Expenses	33,964.47 (8,772.94)	- (9.63)	
Other Expenses	0.79 (-)		
Non-Current Investments (net)	7,291.91 (6,058.92)		
Long Term Advances/ Loans given	491.12 (28,816.14)		
Short Term Advances/ Loans given	1.55 (3,050.07)	0.02 (0.04)	
Long Term Advances/ Loans received back	3,429.49 (16,415.97)		
Short Term Advances/ Loans received back	3,375.40 (11,424.00)	- (368.07)	
Short Term Advances/ Loans received	7,529.10 (5.13)		
Repayment of Short Term Advances/Loans received	3.75 (76.95)		
Increase in Other Receivables	176.10 (2,391.99)		
Decrease in Other Receivables	1,942.20 (-)		
Remuneration			79.79 (81.01)
Outstanding as at 31st December, 2014			
Long Term Advances/ Loans given	44,573.86 (47,512.23)		
Short Term Advances/ Loans given	149.93 (3,523.78)	3.32 (3.30)	
Other Receivables	625.89 (2,391.99)		
Non-Current Investments/Share Application Money	53,732.01 (46,440.10)	0.08 (0.08)	
Other Payables	7,535.22 (9.87)		

(Figures in bracket are for the period ended 30th June, 2013)

C) Material transactions with Related Parties during the period are:

- i) Revenue from Operations from Videocon Telecommunications Limited ₹ 215.58 Million (Previous period ₹ 51.21 Million).
- ii) Other Income and Reimbursement of Expenses received from Videocon Hydrocarbon Holdings Limited ₹ 23,918.55 Million (Previous period ₹ 2,920.51 Million), Videocon International Electronics Limited ₹ 5,351.17 Million (Previous period ₹ 4,456.13 Million) and Videocon Oil Ventures Limited ₹ 4,145.43 Million (Previous period ₹ 741.11 Million).
- iii) Other Expenses paid to Videocon Telecommunications Limited ₹ 0.79 Million (Previous period ₹ Nil).
- iv) Investments in equity shares of Videocon Telecommunications Limited ₹ 4,526.91 Million (Previous period ₹ 3,264.55 Million) and Liberty Videocon General Insurance Company Limited ₹ 2,765.00 Million (Previous period ₹ 2,749.90 Million).
- v) Long Term Advances/Loans Given to Videocon Oil Ventures Limited ₹ 419.12 Million (Previous period ₹ 9,713.01 Million).
- vi) Long Term Advances/Loan received back from Videocon Telecommunications Limited ₹ 442.28 Million (Previous period ₹ 16,415.97 Million) and to Videocon International Electronics Limited ₹ 2,987.21 Million (Previous period Long Term Advances Given ₹ 19,103.13 Million).
- vii) Short Term Advances/Loans Given to Comet Power Private Limited ₹ 1.50 Million (Previous period ₹ 0.10 Million).
- viii) Short Term Advances/Loan Received back from Chhattisgarh Power Ventures Private Limited ₹ 1,449.27 Million (Previous period Short Term Advances Given ₹ 536.92 Million), Pipavav Energy Private Limited ₹ 1,420.81 Million (Previous period ₹ 75.57 Million) and Prosperous Energy Private Limited ₹ 388.58 Million (Previous period Short Term Advances Given ₹ 7.94 Million).
- ix) Short Term Advances/Loans Received from Videocon Mauritius Energy Limited ₹ 7,528.40 Million (Previous period ₹ Nil).
- x) Repayment of Short Term Advances/Loans Received from Liberty Videocon General Insurance Company Limited ₹ 3.49 Million (Previous period Advances Received ₹ 3.49 Million).
- xi) Increase in Other Receivables from Videocon Telecommunication Limited ₹ 161.91 Million (Previous period ₹ Nil).
- xii) Decrease in Other Receivables from Videocon Hydrocarbon Holdings Limited ₹ 1,936.11 Million (Previous period Increase in Other Receivables ₹ 2,380.65 Million).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

46. Loans and Advances in the nature of Loans given to Subsidiaries and Associates, etc.

a) Loans and Advances in the nature of Loans:**i) Long Term Loans and Advances:**

(₹ in Million)

Name of the Company		As at 31st Dec., 2014	As at 30th June, 2013
Videocon International Electronics Limited	Subsidiary	28,732.62	31,719.83
Videocon Oil Ventures Limited	Subsidiary	15,500.78	15,009.66
Videocon Telecommunications Limited	Subsidiary	340.46	782.74

ii) Short Term Loans and Advances:

(₹ in Million)

Name of the Company		As at 31st Dec., 2014	As at 30th June, 2013
Applied Energy Private Limited	Subsidiary	3.26	114.17
Chhattisgarh Power Ventures Private Limited	Subsidiary	60.26	1,509.53
Comet Power Private Limited	Subsidiary	1.91	0.41
Datacom Telecommunications Private Limited	Subsidiary	0.02	0.01
Indigo Energy Private Limited	Subsidiary	0.01	0.01
Percept Energy Private Limited	Subsidiary	1.03	1.03
Pipavav Energy Private Limited	Subsidiary	54.61	1,475.42
Prosperous Energy Private Limited	Subsidiary	28.80	417.37
Videocon Electronics (Shenzhen) Limited	Subsidiary	-	5.82
Videocon Energy Limited	Subsidiary	0.03	0.01
Radium Energy Private Limited	Associate	0.56	0.55
Videocon Infinity Infrastructure Private Limited	Joint Venture	2.76	2.75

Loans and Advances shown above, to subsidiaries fall under the category of 'Loans and Advances' in nature of Loans where there is no repayment schedule and are repayable on demand.

b) Investment by the loanee in the shares of the Company:

None of the loanees have made investments in the shares of the Company.

47. Share of the Company in remaining reserves on proved and probable basis (as per Operator's estimates) in Ravva Oil & Gas field (Unincorporated) Joint Venture, relied upon by the auditors, being technical evaluation/matter.

Particulars	Unit of measurement	As at 31st Dec., 2014	As at 30th June, 2013
Crude Oil	Million Metric Tonnes	0.94	0.85
Natural Gas	Million Cubic Metres	117.51	187.84

48. The Financial Institutions have a right to convert, at their option, the whole outstanding amount of term loans or a part not exceeding 20% of defaulted amount of loan, whichever is lower, into fully paid up Equity Shares of the Company at par on default in payments/repayments of three consecutive installments of principal and/or interest thereon or on mismanagement of the affairs of the Company.
49. The Company has prepared the Consolidated Financial Statements as per Accounting Standard (AS) 21 and accordingly the segment information as per AS-17 "Segment Reporting" has been presented in the Consolidated Financial Statements.
50. Previous period figures have been reclassified, restated, recasted to conform to the classification of the current period.

As per our report of even date

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

For **KADAM & CO.**
Chartered Accountants

For and on behalf of the Board

V. N. DHOOT
Chairman and Managing Director

BHUPENDRA Y. KARKHANIS
Partner
Membership No. 108336

U. S. KADAM
Partner
Membership No. 31055

VINOD KUMAR BOHRA
Company Secretary

R. S. AGARWAL
Director

Place: Mumbai
Date : 15th May, 2015

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To,
The Board of Directors

VIDEOCON INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

1. We, have audited the accompanying Consolidated Financial Statements of Videocon Industries Limited (the Company) and its subsidiaries, associates and joint ventures, (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st December, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the 18 months period then ended and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which are deemed to be applicable as per section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Groups preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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

Opinion

5. In our opinion and to the best of our information and according to explanations given to us and based on the consideration of the separate audit reports on individual audited financial statements of the Company, its subsidiaries, associates and joint ventures, referred to below in the Other Matter paragraph, the aforesaid Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiaries, associates and joint ventures as at 31st December, 2014;
 - b) in the case of the Consolidated Statement of Profit and Loss, of the consolidated profit of the Company and its subsidiaries, associates and joint ventures for the 18 months period ended on that date; and
 - c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiaries, associates and joint ventures for the 18 months period ended on that date.

Other Matter

6. We did not jointly audit the financial statements of certain Subsidiaries whose financial statements reflect total assets of ₹ 162,221.09 Million as at 31st December, 2014, total revenues of ₹ 164,184.20 Million and net cash flows amounting to ₹ (341.08) Million for the period ended on that date. These financial statements have been audited by one of us.
7. We did not audit the financial statements of certain Subsidiaries and Joint Ventures, whose financial statements reflect total assets of ₹ 120,245.45 Million as at 31st December, 2014, total revenues of ₹ 3,559.91 Million and net cash flows amounting to ₹ 32,622.75 Million for the period ended on that date and financial statements of associates in which the share of profit is ₹ 6.05 Million. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

For **KHANDELWAL JAIN & CO.**
Chartered Accountants
(Firm Registration No. 105049W)

BHUPENDRA Y. KARKHANIS
Partner
Membership No.: 108336

Place : Mumbai
Date : 15th May, 2015

For **KADAM & CO.**
Chartered Accountants
(Firm Registration No. 104524W)

U. S. KADAM
Partner
Membership No.: 31055

CONSOLIDATED BALANCE SHEET

As at 31st December, 2014

(₹ in Million)

Particulars	Note No.	As at 31st Dec., 2014	As at 30th June, 2013
I. EQUITY AND LIABILITIES			
1) Shareholders' Funds			
a) Share Capital	3	3,344.59	3,340.94
b) Reserves and Surplus	4	98,707.84	43,796.04
		102,052.43	47,136.98
2) Minority Interest		953.12	2,079.81
3) Non-Current Liabilities			
a) Long-Term Borrowings	5	355,043.18	310,786.55
b) Deferred Tax Liability (Net)	6	7,092.51	-
c) Long-Term Provisions	7	2,012.68	1,499.40
		364,148.37	312,285.95
4) Current Liabilities			
a) Short-Term Borrowings	8	46,440.44	58,083.65
b) Trade Payables	9	17,346.79	15,775.64
c) Other Current Liabilities	10	65,003.60	58,361.04
d) Short-Term Provisions	11	2,207.53	966.43
		130,998.36	133,186.76
		130,998.36	133,186.76
TOTAL		598,152.28	494,689.50
II. ASSETS			
1) Non-Current Assets			
a) Fixed Assets	12		
i) Tangible Assets		71,901.42	75,715.31
ii) Intangible Assets		21,390.96	23,226.54
iii) Capital work-in-progress		109,869.56	95,252.89
b) Pre-operative Expenditure Pending Allocation	13	1,658.67	1,606.12
c) Goodwill on Consolidation		11,079.53	11,079.53
d) Deferred Tax Assets (Net)	6	-	17,925.34
e) Non-Current Investments	14	21,473.45	7,548.97
f) Long-Term Loans and Advances	15	47,328.26	43,530.03
		284,701.85	275,884.73
2) Current Assets			
a) Current Investments	16	2,202.97	632.49
b) Inventories	17	24,103.72	21,656.82
c) Trade Receivables	18	30,135.66	29,433.94
d) Cash and Bank Balances	19	61,545.11	9,004.12
e) Short-Term Loans and Advances	20	194,562.47	157,122.59
f) Other Current Assets	21	900.50	954.81
		313,450.43	218,804.77
		313,450.43	218,804.77
TOTAL		598,152.28	494,689.50
Significant Accounting Policies	1		
Notes forming part of the Financial Statements	2 to 51		

As per our report of even date

For and on behalf of the Board

For **KHANDELWAL JAIN & CO.**
Chartered AccountantsFor **KADAM & CO.**
Chartered Accountants**V. N. DHOOT**
Chairman and Managing Director**BHUPENDRA Y. KARKHANIS**
Partner
Membership No. 108336**U. S. KADAM**
Partner
Membership No. 31055**VINOD KUMAR BOHRA**
Company Secretary**R. S. AGARWAL**
DirectorPlace: Mumbai
Date : 15th May, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the period 1st July, 2013 to 31st December, 2014

(₹ in Million)

Particulars	Note No.	18 Months ended 31st Dec., 2014	18 Months ended 30th June, 2013
I. INCOME			
Revenue from Operations	22	209,952.86	194,238.53
Less: Excise Duty		5,330.56	6,181.09
Net Revenue from Operations		204,622.30	188,057.44
Other Income	23	141,089.86	8,903.04
Total Income		345,712.16	196,960.48
II. EXPENSES			
Cost of Materials Consumed		60,550.05	56,643.70
Purchase of Stock-in-Trade		59,666.53	59,134.62
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	24	(1,047.76)	(578.21)
Production and Exploration Expenses - Oil and Gas	25	34,575.09	26,602.34
Access Charges, License Fees and Network Expenses	26	13,139.53	9,505.34
Employee Benefits Expense	27	6,265.74	5,708.88
Finance Costs	28	49,717.68	40,774.95
Depreciation and Amortisation	12	15,364.77	13,255.70
Other Expenses	29	32,599.99	28,949.73
Total Expenses		270,831.62	239,997.05
III. Profit/(Loss) Before Tax		74,880.54	(43,036.57)
Add: Share in Profit/(Loss) of Associates		6.05	(5.09)
Add: Profit/(Loss) on Disposal/Dilution of holding in Subsidiaries/Associates		(8.18)	(1,032.21)
IV. Tax Expenses	30	25,215.86	(12,005.08)
V. Profit/(Loss) Before Minority Interest		49,662.55	(32,068.79)
Add: Minority Interest		1,533.84	3,807.60
VI. Profit/(Loss) for the Period		51,196.39	(28,261.19)
VII. Earnings per Equity Share of face value ₹10/- each	31		
Basic and Diluted		160.45	(89.91)
Significant Accounting Policies	1		
Notes forming part of the Financial Statements	2 to 51		

As per our report of even date

For and on behalf of the Board

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

For **KADAM & CO.**
Chartered Accountants

V. N. DHOOT
Chairman and Managing Director

BHUPENDRA Y. KARKHANIS
Partner
Membership No. 108336

U. S. KADAM
Partner
Membership No. 31055

VINOD KUMAR BOHRA
Company Secretary

R. S. AGARWAL
Director

Place: Mumbai
Date : 15th May, 2015

CONSOLIDATED CASH FLOW STATEMENT

For the period 1st July, 2013 to 31st December, 2014

(₹ in Million)

Particulars	Period ended on 31st Dec., 2014	Period ended on 30th June, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	74,880.54	(43,036.57)
Adjustments for:		
Depreciation and Amortisation	15,364.77	13,255.70
Finance Costs	49,717.68	40,774.95
Provision for Leave Encashment	7.41	(0.10)
Provision for Gratuity	16.70	59.63
Provision for Warranty and Maintenance Expenses	(4.78)	21.09
Provision for Abandonment and Site Restoration Costs	491.19	135.65
Provision for Doubtful Debts	41.56	179.74
Premium Deficiency Reserve	(2.38)	2.38
Provision for Incentive Payment	70.79	-
Reserve for Unexpired Risk	1,160.43	-
Interest Received	(1,856.11)	(5,175.91)
(Write back) in Value of Investments - Net	(2.02)	(1.73)
Income from Investments and Securities Division/Profit on Sale of Investments	(138,980.41)	(16.15)
(Profit)/ Loss on Sale/ Discard of Fixed Assets	(7.25)	3,813.90
Minority Interest for the period	1,533.84	3,807.60
Operating Profit before Working Capital Changes	2,431.96	13,820.18
Adjustments for:		
Inventories	(2,446.90)	(759.41)
Trade Receivables	(743.28)	(1,460.57)
Loans and Advances	(40,948.11)	(30,932.78)
Other Current Assets	54.31	(11.22)
Trade Payables	1,571.15	1,624.18
Other Current Liabilities	(11,713.80)	7,299.94
Cash generated from/(used in) Operations	(51,794.67)	(10,419.68)
Less: Taxes Paid/(Refund) - net	488.01	12,174.75
Net Cash (used in) Operating Activities	(A) (52,282.68)	(22,594.43)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets/ Adjustment on account of disposal/ cessation of Subsidiaries (Net)	1,066.84	12,412.59
(Increase) in Fixed Assets (Including Capital Work-in-Progress)	(25,391.56)	(75,906.68)
(Increase)/ Decrease in Pre-Operative Expenditure pending Allocation	(52.55)	559.08
Share in Profit/ (Loss) of Associates	6.05	(5.09)
Adjustment on Disposal/ Dilution of Subsidiaries/ Associates	(8.18)	(1,032.21)
Interest Received	1,856.11	5,175.91
(Increase)/ Decrease in Other Bank Balances	(50,225.03)	(1,209.56)
(Purchase)/ Sale of Investments (Net)	(15,492.94)	2,903.45
(Increase) in Goodwill on Consolidation	-	(11,001.62)
Income from Investments and Securities Division/Profit on Sale of Investments	138,980.41	16.15
Net Cash from/(used in) Investing Activities	(B) 50,739.15	(68,087.98)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Equity Share Capital	157.01	157.53
(Decrease) in Preference Share Capital	(153.30)	(155.95)
Securities Premium Received	2,694.49	2,642.80
Increase/(Decrease) in Foreign Currency Translation Reserve on Consolidation	1,303.94	(1,204.10)
Increase/(Decrease) in Share Application Money	-	(5,448.74)
Increase/(Decrease) in Minority Interest	(1,126.69)	1,975.71
Increase in Long-Term Borrowings	62,613.19	150,768.30
(Decrease) in Short-Term Borrowings	(11,643.21)	(21,484.06)
Finance Costs	(49,717.68)	(40,774.95)
Payment of Dividend	(226.65)	(211.25)
Tax on Dividend	(38.48)	(31.33)
Share Issue Expenses	(3.13)	(12.91)
Net Cash from Financing Activities	(C) 3,859.49	86,221.05
Net Change in Cash and Cash Equivalents	(A+B+C) 2,315.96	(4,461.36)
Cash and Cash Equivalents at beginning of the period	2,449.99	6,911.35
Cash and Cash Equivalents at end of the period	4,765.95	2,449.99
Other Bank Balances	56,779.16	6,554.13
Cash and Bank Balances at the end of the period (Note No. 19)	61,545.11	9,004.12

As per our report of even date

For and on behalf of the Board

For **KHANDELWAL JAIN & CO.**
Chartered AccountantsFor **KADAM & CO.**
Chartered Accountants**V. N. DHOOT**
Chairman and Managing Director**BHUPENDRA Y. KARKHANIS**
Partner
Membership No. 108336**U. S. KADAM**
Partner
Membership No. 31055**VINOD KUMAR BOHRA**
Company Secretary**R. S. AGARWAL**
DirectorPlace: Mumbai
Date : 15th May, 2015

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Consolidation:

- a) The Consolidated Financial Statements ("CFS") relate to Videocon Industries Limited ("the Company" or "the Parent Company") and its subsidiary companies, joint ventures and associates collectively referred to as "the Group".
- b) The financial statements of the subsidiary companies used in the preparation of the CFS are drawn upto the same reporting date and reporting period as that of the Company i.e. 18 months period ended 31st December, 2014 except in case of Liberty Videocon General Insurance Company Limited where the financial statements are drawn up and considered for a period of 21 months upto 31st December, 2014.
- c) The CFS have been prepared in accordance with the Accounting Standard (AS) 21 "Consolidated Financial Statements", Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures" and Accounting Standard (AS) 23 "Accounting for investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- d) Principles of Consolidation:

The CFS have been prepared on the following basis:

- i) The financial statements of the Company, its subsidiary companies and jointly controlled entities have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances/transactions and unrealised profits or losses.
- ii) All separate financial statements of subsidiaries, originally presented in currencies different from the Group's presentation currency, have been converted into Indian Rupees (INR) which is the functional currency of the Parent Company. In case of foreign subsidiaries being non-integral foreign operations, revenue items have been consolidated at the average of the rate prevailing during the period. All assets and liabilities are translated at rates prevailing at the balance sheet date. The exchange difference arising on the translation is debited or credited to Foreign Currency Translation Reserve.
- iii) The CFS have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as Company's separate financial statements. In case of certain foreign subsidiaries and joint ventures, where the accounts have been prepared in compliance with local laws and/or International Financial Reporting Standards, appropriate adjustments for differences in accounting policies have been made to their financial statements while using in preparation of the CFS as required by AS 21 and AS 27 except:
 - (a) In case of insurance subsidiary, no adjustment have been made to the financial statements on account of diverse accounting policies as the same, being insurance company, have been prepared under a different regulatory environment and (b) in respect of depreciation/amortisation and retirements benefits, where it is not practicable to use uniform accounting policies. However, the amount of impact of these differences is not material.
- iv) The excess of the cost to the Company of its investment in subsidiary over the Company's share of equity of the subsidiary as at the date on which investment in subsidiary is made, is recognised in the

CFS as Goodwill. The excess of Company's share of equity and reserve of the subsidiary company over the cost of acquisition is treated as Capital Reserve in CFS.

- v) The difference between the proceeds from disposal of investment in a Subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the Consolidated Statement of Profit and Loss as the profit or loss on disposal of Investment in Subsidiary.
- vi) Minority interest's share of net profit of Consolidated Subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to Shareholders of the Company.
- vii) Minority interest in the net assets of Consolidated Subsidiaries consists of (a) The amount of equity attributable to the minority shareholders at the date on which investment in a subsidiary is made and (b) The minority shareholders' share of movements in equity since the date the Parent Subsidiary relationship came into existence.
- viii) Investments in associate companies in which the Company or any of its subsidiaries has significant influence but not a controlling interest, are reported according to the equity method. The carrying amount of the investment is adjusted for the post acquisition change in the Group's share of net assets of the investee. The Consolidated Statement of Profit and Loss includes the Company's share of the results of the operations of the investee.

B. Basis of Accounting:

- a) The financial statements are prepared under historical cost convention, except for certain fixed assets which are revalued, using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP), the requirements of the Companies Act, 1956, including the mandatory Accounting Standards notified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014), and in accordance with the applicable statutory requirements of the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (IRDA) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the regulations') and related circulars, orders and directions issued by the IRDA in this behalf.
- b) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Example of such estimates include provisions for doubtful debts, employee retirement benefits plans, provision for income tax and the useful lives of fixed assets. The difference between the actual results and estimates are recognised in the period in which results are known or materialized.

C. Fixed Assets/Capital Work-in-Progress:

- a) Fixed Assets are stated at cost, except for certain fixed assets which have been stated at revalued amounts, less accumulated depreciation/amortisation and impairment

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

loss, if any. The cost is inclusive of freight, installation cost, duties, taxes, financing cost and other incidental expenses related to the acquisition and installation of the respective assets but does not include tax/duty credits availed.

- b) Capital Work-in-Progress is carried at cost, comprising of direct cost, attributable interest and related incidental expenditure.

D. License/Spectrum Fees:

- a) The one time non refundable entry fees paid for acquiring Licenses/Spectrum for providing Unified License (Access Services), along with the related borrowing cost is capitalized as an intangible asset and is amortised over the remaining period of License as per the license agreement from the commencement of commercial operations.
- b) The variable license fee and spectrum charges computed at prescribed rates of revenue share in terms of the license agreement are charged to the Statement of Profit and Loss in the period in which the related revenues are recognised.

E. Joint Ventures for Oil and Gas Fields:

In respect of unincorporated joint ventures in the nature of Production Sharing Contracts (PSC) entered into by the Company for oil and gas exploration and production activities, the Group's share in the assets and liabilities as well as income and expenditure of Joint Venture Operations are accounted for, according to the Participating Interest of the Group as per the PSC and the Joint Operating Agreements on a line-by-line basis in the CFS. In respect of joint ventures in the form of incorporated jointly controlled entities, the investment in such joint venture is eliminated and share in assets and liabilities as well as income and expenditure of joint venture entities are accounted for on line-by-line basis in CFS.

F. Exploration, Development Costs and Producing Properties:

The Company follows the "Full Cost" method of accounting for its oil and natural gas exploration and production activities. Accordingly, all acquisition, exploration and development costs are treated as capital work in progress and are accumulated in a cost centre. The cost centre is not, normally, smaller than a country except where warranted by major difference in economic, fiscal or other factors in the country. When any well in a cost centre is ready to commence commercial production, these costs are capitalised from capital work in progress to producing properties in the gross block of assets regardless of whether or not the results of specific costs are successful.

G. Abandonment Costs:

The full eventual estimated liability towards costs relating to dismantling, abandoning and restoring well sites and allied facilities is recognised as liability for abandonment cost based on evaluation by experts at current costs and is capitalised as producing property. The same is reviewed periodically.

H. Depreciation and Amortisation:

- a) The Parent Company and Indian Subsidiary Companies provide depreciation on fixed assets held in India on written down value method in the manner and at the rates specified in the Schedule XIV to the Companies Act, 1956, except a) on fixed assets of Consumer Electronics Division except Glass Shell Division; b) fixed assets of Telecommunications Division and; c) on office buildings acquired after 1st April, 2000, on which depreciation is provided on straight line method at the rates specified in the said Schedule or based on useful life of assets whichever is higher. Depreciation on fixed assets held outside India is calculated on straight line method at the rates prescribed in the aforesaid Schedule or based on useful life of assets whichever is higher. Producing Properties are depleted using the "Unit of Production Method". The rate of depletion is computed

in proportion of oil and gas production achieved vis-a-vis proved reserves. Leasehold Land is amortised over the period of lease.

Intangibles: One time entry fees for acquiring licenses/spectrum for Unified Access Services (UAS) are amortised over the remaining period of license as per the license agreement from the date of commencement of commercial operations. Other intangible assets are amortised over a period of five years.

- b) In case of foreign subsidiaries, depreciation is provided on a straight line basis over the estimated remaining useful life of the assets.

I. Impairment of Assets:

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

J. Pre-operative Expenditure during construction period pending allocation:

Expenditure incurred till the commencement of commercial operations of a project is treated as "Pre-operative Expenditure Pending Allocation" and the same is appropriately allocated upon commencement of commercial operations.

K. Investments:

- a) Current Investments: Current Investments are carried at lower of cost or quoted/fair value.
- b) Non-Current Investments: Non-Current Investments are stated at cost. The decline in the value of the investment, other than temporary, is provided for.
- c) Cost is inclusive of brokerage, fees and duties but excludes Securities Transaction Tax.
- d) Investments in respect of Insurance Business:
- i) Investments are recorded on trade date at cost. Cost includes brokerage, transaction taxes, etc. and excludes pre-acquisition interest, if any.
 - ii) Classification: Investments maturing within twelve months from balance sheet date and investments made with the specific intention to dispose off within twelve months from balance sheet date are classified as Current Investments. Investments other than Current Investments are classified as Non Current Long-Term Investments.
 - iii) Valuation: Debt Securities - All debt securities are considered as 'held to maturity' and accordingly stated at historical cost adjusted for amortisation of premium or accretion of discount on 'Straight Line' or 'Internal Rate of Return' basis (as applicable), in the revenue and Statement of Profit and Loss over the period of maturity/holding.

The realised gain or loss on the securities is the difference between the sale consideration and the amortised cost in the books of the Company as on the date of sale determined on weighted average cost basis.

L. Inventories:

Inventories including crude oil stocks are valued at cost or net realisable value whichever is lower. Cost of inventories comprises

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Basis.

M. Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

N. Excise and Custom Duty, CENVAT/Value Added Tax:

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

CENVAT/Value Added Tax Benefit is accounted for by reducing the purchase cost of the materials/ fixed assets/ services.

O. Revenue Recognition:

- a) Revenue is recognised on transfer of significant risk and reward in respect of ownership.
- b) Sales/turnover includes sales value of goods, services, excise duty, duty drawback and other recoveries such as insurance, transportation and packing charges but excludes sale tax and recovery of financial and discounting charges.
- c) Revenue from sale of electrical energy is accounted for on the basis of billing as per the provisions of Power Purchase Agreement.
- d) Revenue in respect of Telecommunications Services is recognised as and when the services are provided and are net of rebates, discounts and service tax. Activation charges recovered from subscribers is recognised as income on activation. Revenue on upfront charges for services with lifetime validity and fixed validity period of one year or more are recognised over the estimated useful life of subscribers and specified fixed validity period respectively. The estimated useful life is consistent with estimated churn of the subscribers.
- e) Revenue in respect of Insurance Business is recognised as:
 - i) Premium:

Premium is recognised as income over the contract period or the period of risk whichever is appropriate on gross basis net of service tax. Premium is recorded for the policy period at the time of issuance of policies/endorsements.
 - ii) Commission on Reinsurance Ceded:

Commission on reinsurance ceded is recognised as income in the period in which reinsurance premium is ceded. Profit commission under re-insurance treaties, wherever applicable, is recognised in the year of final determination of the profits and as intimated by the reinsurer.
 - iii) Investment Income:

Interest income on investments is recognised on accrual basis. Accretion of discount and amortization of premium, as the case may be, in respect of fixed income securities is recognised on the basis of 'internal rate of return' over the period of maturity/ holding.
- f) Insurance, Duty Drawback and other claims are accounted for as and when admitted by the appropriate authorities.
- g) Dividend on investments is recognised when the right to receive is established. Interest income is recognised on time proportionation basis taking into account the amount outstanding and rate applicable.

P. Other Policies in respect of Insurance Business:

- a) Reserve for unexpired risk:

Reserve for unexpired risk represents that part of the net premium (i.e., premium, net of reinsurance ceded) in respect of each line of business which is attributable to, and set aside for, subsequent risks to be borne by the Company under contractual obligations on contract period basis or risk period basis, whichever is appropriate.
- b) Reinsurance Ceded:

Reinsurance cost, in respect of proportional reinsurance ceded, is accounted at policy inception and accrued over the contract period or the period of risk whichever is appropriate. Non-proportional reinsurance cost is recognized when incurred and due. Any subsequent revision to, refunds or cancellations of premiums are recognized in the year in which they occur.
- c) Claims incurred:

Claims are recognised as and when reported. Claims paid (net of recoveries including salvage) are charged to the respective revenue accounts when approved for payment. Claims paid include claims settlement costs, comprising survey, legal and other fees and other attributable expenses. Estimated liability for outstanding claims is provided on the basis of claims reported till the end of the financial year. Recoveries from sale of salvage are recognised at the time of sale. Amounts received/receivable from the reinsurers, under the terms of the reinsurance agreements, are recognized together with the recognition of the claim.

Amounts received/ receivable/ paid/ payable from/ to the coinsurers, under the terms of the coinsurance arrangements, is also recognised together with the recognition of the claim.
- d) IBNR and IBNER (claims incurred but not reported and claims incurred but not enough reported):

IBNR represents that amount of claims that may have been incurred prior to the end of the current accounting period but have not been reported. The IBNR provision also includes provision, if any, required for claims incurred but not enough reported (IBNER). The said liability is determined on actuarial principles and certified by the Appointed Actuary. The methodology and assumptions on the basis of which the liability is determined is also certified by the actuary to be appropriate, in accordance with the guidelines and norms issued by the Institute of Actuaries of India in concurrence with the IRDA.
- e) Indian Motor Third Party Declined Risk Insurance Pool [DR Pool]:

In accordance with the directions of IRDA, the Company, together with other non-life insurance companies, participates in the Indian Motor Third Party Declined Risk Insurance Pool [DR Pool], a multilateral reinsurance arrangement in respect of specified commercial vehicles and where the policy issuing member insurer cede the insurance premium to the DR Pool. The DR Pool is administered by General Insurance Corporation of India ('GIC'). The Company accounts its share of declined pool transactions based on the accounts rendered by the declined pool administrator and on the basis of management estimates for the period for which statements are not received.

Q. Foreign Currency Transactions:

- a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions. Foreign Currency Monetary Assets and Liabilities are translated at the year end rate. The difference between

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

the rate prevailing on the date of transaction and on the date of settlement as also on translation of Monetary Items at the end of the year/period is recognised, as the case may be, as income or expense for the period.

- b) Forward contracts other than those entered into to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions are treated as foreign currency transaction and accounted accordingly. Exchange differences arising on such contracts are recognised in the period in which they arise and the premium paid/received is recognised as expenses/income over the period of the contract. Cash flows arising on account of roll over/cancellation of forward contracts are recognised as income/expenses of the period in line with the movement in the underlying exposure.
- c) All other derivative contracts including forward contract entered into for hedging foreign currency risks on unexecuted firm commitments and highly probable forecast transactions which are not covered by the existing Accounting Standard (AS 11), are recognised in the financial statements at fair value as on the Balance Sheet date. The resultant gains and losses on fair valuation of such contracts are recognised in the Consolidated Statement of Profit and Loss.

R. Employee Benefits:

- a) Short-Term Employees Benefits:
Short-Term Employees Benefits are recognized as an expense at the undiscounted amount in the Consolidated Statement of Profit and Loss of the period in which the related services are rendered.
- b) Post Employment Benefits:
In India:
- i) Provident Fund - Defined Contribution Plan
The Group contributes monthly at a determined rate. These contributions are remitted to the Employees' Provident Fund Organisation, India for this purpose and is charged to Consolidated Statement of Profit and Loss on accrual basis.
- ii) Gratuity - Defined Benefit Plan
The Group provides for gratuity to all the eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or termination of employment for an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs on completion of five years of service. Liability in respect of gratuity is determined using the projected unit credit method with actuarial valuations as on the Balance Sheet date and gains/losses are recognized immediately in the Consolidated Statement of Profit and Loss.
- iii) Leave Encashment
Liability in respect of leave encashment is determined using the projected unit credit method with actuarial valuations as on the Balance Sheet date and gains/losses are recognised immediately in the Consolidated Statement of Profit and Loss.

Outside India:

In case of foreign subsidiaries, Liability for retirement benefit have been provided for as per the local laws of respective country.

S. Taxation:

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

T. Share Issue Expenses and Premium on Redemption of Bonds/Debentures:

Share issue expenses and Premium on Redemption of Bonds/ Debentures are written off to Securities Premium Account.

U. Research and Development:

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

V. Accounting for Leases:

Where the Company is lessee:

- a) Operating Leases: Rentals in respect of all operating leases are charged to Consolidated Statement of Profit and Loss.
- b) Finance Leases:
- i) Rentals in respect of all finance leases entered before 1st April, 2001 are charged to Consolidated Statement of Profit and Loss.
- ii) Assets acquired on or after 1st April, 2001, under finance lease or similar arrangements which effectively transfer to the Company, substantially all the risks and benefits incidental to ownership of the leased items, are capitalised at the lower of their fair value and present value of the minimum lease payments and are disclosed as leased assets.

W. Warranty:

Provision for the estimated liability in respect of warranty on sale of consumer electronics and home appliances products is made in the year in which the revenues are recognised, based on technical evaluation and past experience.

X. Prior Period Items:

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

Y. Provision, Contingent Liabilities and Contingent Assets:

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

Contingent Liabilities are not recognised but are disclosed in the Notes to Consolidated Financial Statements. Disputed demands in respect of Central Excise, Custom duty, Income tax, Sales tax and Others are disclosed as contingent liabilities. Payment in respect of such demands, if any, is shown as an advance, till the final outcome of the matter.

Contingent assets are not recognised in the financial statements.

Z. Other Accounting Policies:

These are consistent with the generally accepted accounting principles.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. The Companies which are included in the consolidation with their respective countries of incorporation and the percentage of ownership interest therein of the Company as on 31st December, 2014, are as under:

Name of the Subsidiary	Country of Incorporation	Percentage of Ownership Interest as at	
		31st Dec., 2014	30th June, 2013
Chhattisgarh Power Ventures Private Limited	India	100%	100%
Liberty Videocon General Insurance Company Limited	India	81.9%	77.9%
Middle East Appliances LLC	Sultanate of Oman	100%	100%
Pipavav Energy Private Limited	India	100%	100%
Prosperous Energy Private Limited	India	100%	100%
Videocon Electronics (Shenzhen) Limited (Chinese Name - Weiyokang Electronic (Shenzhen) Co. Ltd.)	China	100%	100%
Videocon Global Limited	British Virgin Islands	100%	100%
Videocon Oil Ventures Limited	India	100%	100%
Videocon Estelle Limited (upto 26th March, 2014) ⁽¹⁾	Mauritius	-	100%
Videocon Ivory Limited (upto 15th February, 2014) ⁽¹⁾	Mauritius	-	100%
Videocon Hydrocarbon Holdings Limited ⁽¹⁾	Cayman Islands	100%	100%
Videocon JPDA 06-103 Limited ⁽²⁾	Cayman Islands	100%	100%
Videocon Indonesia Nunukan Inc. ⁽²⁾	Cayman Islands	100%	100%
Videocon Energy Brazil Limited ⁽²⁾	British Virgin Islands	100%	100%
Videocon Australia WA-388-P Limited ⁽²⁾	Cayman Islands	100%	100%
Videocon Mauritius Energy Limited ⁽²⁾	Mauritius	100%	100%
Videocon Mozambique Rovuma 1 Limited (upto 7th January, 2014) ⁽³⁾	British Virgin Islands	-	100%
Videocon International Electronics Limited	India	100%	100%
Jumbo Techno Services Private Limited ⁽⁴⁾	India	100%	100%
Senior Consulting Private Limited ⁽⁴⁾	India	100%	100%
Videocon Telecommunications Limited ⁽⁴⁾	India	92.9%	90.8%
Datacom Telecommunications Private Limited ⁽⁵⁾	India	92.9%	90.8%
Videocon Energy Limited	India	100%	100%
Proficient Energy Private Limited ⁽⁶⁾	India	100%	100%
Applied Energy Private Limited ⁽⁷⁾	India	100%	100%
Unity Power Private Limited (upto 15th May, 2014) ⁽⁸⁾	India	-	51%
Comet Power Private Limited ⁽⁸⁾	India	51%	51%
Indigo Energy Private Limited ⁽⁹⁾	India	51%	51%
Percept Energy Private Limited ⁽⁹⁾	India	51%	51%

Name of the Joint Venture	Country of Incorporation	Percentage of Ownership Interest as at	
		31st Dec., 2014	30th June, 2013
IBV Brasil Petroleo Limitada ⁽¹⁰⁾	Brazil	50%	50%
Videocon Infinity Infrastructure Private Limited	India	50%	50%

Name of the Associate	Country of Incorporation	Percentage of Ownership Interest as at	
		31st Dec., 2014	30th June, 2013
Radium Energy Private Limited	India	26%	26%
Unity Power Private Limited (w.e.f. 16th May, 2014) ⁽¹¹⁾	India	26%	-

- | | |
|---|---|
| 1. Subsidiary of Videocon Oil Ventures Limited | 6. Subsidiary of Videocon Energy Limited |
| 2. Subsidiary of Videocon Hydrocarbon Holdings Limited | 7. Subsidiary of Proficient Energy Private Limited |
| 3. Subsidiary of Videocon Mauritius Energy Limited | 8. Subsidiary of Applied Energy Private Limited |
| 4. Subsidiary of Videocon International Electronics Limited | 9. Subsidiary of Comet Power Private Limited |
| 5. Subsidiary of Videocon Telecommunications Limited | 10. Joint Venture of Videocon Energy Brazil Limited |
| | 11. Associate of Applied Energy Private Limited |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

		(₹ in Million)	
		As at 31st Dec., 2014	As at 30th June, 2013
3. SHARE CAPITAL			
Authorised:			
500,000,000 (As at 30th June, 2013 - 500,000,000) Equity Shares of ₹ 10/- each		5,000.00	5,000.00
10,000,000 (As at 30th June, 2013 - 10,000,000) Redeemable Preference Shares of ₹ 100/- each		1,000.00	1,000.00
Total		6,000.00	6,000.00
Issued, Subscribed and Paid-up:			
Equity Shares			
334,458,875 (As at 30th June, 2013 - 318,771,669) Equity Shares of ₹ 10/- each fully paid-up.		3,344.59	3,187.72
Less: Calls in Arrears - by others		-	0.08
(a)		3,344.59	3,187.64
Preference Shares			
i) Nil (As at 30th June, 2013 - 4,523,990) 8% Cumulative Redeemable Preference Shares of ₹ Nil (As at 30th June, 2013 ₹ 33.32) each, redeemed at par on 1st October, 2013.		-	150.74
ii) Nil (As at 30th June, 2013 - 76,870) 8% Cumulative Redeemable Preference Shares of ₹ Nil (As at 30th June, 2013 ₹ 33.34) each, redeemed at par on 1st February, 2014.		-	2.56
(b)		-	153.30
Total (a + b)		3,344.59	3,340.94

3.1 Reconciliation of the Number of Shares:

	As at 31st Dec., 2014		As at 30th June, 2013	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
a) Equity Shares of ₹ 10/- each				
Outstanding at the beginning of the period	318,771,669	3,187.72	303,021,669	3,030.22
Issued during the period*	15,700,000	157.00	15,750,000	157.50
Less: Forfeited during the period	12,794	0.13	-	-
Outstanding at the end of the period	334,458,875	3,344.59	318,771,669	3,187.72
b) 8% Cumulative Redeemable Preference Shares of ₹ Nil (As at 30th June, 2013 ₹ 33.32) each				
Outstanding at the beginning of the period	4,523,990	150.74	4,523,990	301.56
Redeemed during the period	4,523,990	150.74	-	150.82
Outstanding at the end of the period	-	-	4,523,990	150.74
c) 8% Cumulative Redeemable Preference Shares of ₹ Nil (As at 30th June, 2013 ₹ 33.34) each				
Outstanding at the beginning of the period	76,870	2.56	76,870	7.69
Redeemed during the period	76,870	2.56	-	5.13
Outstanding at the end of the period	-	-	76,870	2.56

* The Company has allotted 15,700,000 underlying equity shares represented by the issue of 15,700,000 Global Depository Receipts (GDR) at a price of US\$ 2.88 per GDR, equivalent to ₹ 181.61 per equity share (including share premium of ₹ 171.61 per equity share) aggregating to ₹ 2,851.27 Million.

3.2 Rights, Preference and Restrictions:

- The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to equal right of voting and dividend.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- The preference shares do not have voting rights. They have preference over equity shareholder as to dividend and in case of liquidation.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

3.3 Details of Shareholders holding more than 5% Shares:

Name of Shareholders	As at 31st Dec., 2014		As at 30th June, 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
a) Equity Shareholders				
a) Dome-Bell Electronics India Private Limited	19,741,049	5.90	19,741,049	6.19
b) Shree Dhoot Trading And Agencies Limited	26,604,836	7.95	28,404,836	8.91
c) Synergy Appliances Private Limited	16,010,575	4.79	16,010,575	5.02
d) Videocon Realty and Infrastructures Limited	63,570,518	19.01	63,570,518	19.94
e) Deutsche Bank Trust Company Americas (As depository of Global Deposits Receipts)	41,201,226	12.32	26,051,226	8.17
b) 8% Cumulative Redeemable Preference Shares of ₹ Nil (As at 30th June, 2013 ₹ 33.32) each				
a) LIC of India Limited	-	-	441,990	9.77
b) IDBI Bank Limited	-	-	4,082,000	90.23
c) 8% Cumulative Redeemable Preference Shares of ₹ Nil (As at 30th June, 2013 ₹ 33.34) each				
General Insurance Corporation of India Limited	-	-	76,870	100.00

(₹ in Million)

4. RESERVES AND SURPLUS

a) Capital Reserve (including Capital Subsidy)

As per last Balance Sheet

Add: On Forfeiture of Equity Shares

	As at 31st Dec., 2014	As at 30th June, 2013
	9.74	9.74
	1.44	-
(a)	11.18	9.74

b) Capital Redemption Reserve

As per last Balance Sheet

Add: Transferred from Surplus in the Statement of Profit and Loss

	844.29	688.33
	153.30	155.96
(b)	997.59	844.29

c) Securities Premium Account

As per last Balance Sheet

Add: Received during the period

Less: Reversal of Securities Premium pertaining to shares forfeited

Less: Share Issue Expenses

Less: Calls in Arrears - by others

	46,205.41	43,576.23
	2,694.27	2,642.09
	2.75	-
	3.13	12.91
	48,893.80	46,205.41
	-	1.59
(c)	48,893.80	46,203.82

d) Bond/Debenture Redemption Reserve

As per last Balance Sheet

Add: Transferred from Surplus in the Statement of Profit and Loss

	2,962.51	1,053.17
	2,054.24	1,909.34
(d)	5,016.75	2,962.51

e) Legal Reserve

As per last Balance Sheet

Add: Transferred from Surplus in the Statement of Profit and Loss

	0.01	0.01
	0.31	-
(e)	0.32	0.01

f) Foreign Currency Translation Reserve

As per last Balance Sheet

Add/(Less): During the period

	2,787.90	2,546.06
	1,303.94	241.84
(f)	4,091.84	2,787.90

g) General Reserve

As per last Balance Sheet

Add: Transferred from Surplus in the Statement of Profit and Loss

	16,501.48	16,201.48
	300.00	300.00
(g)	16,801.48	16,501.48

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

(₹ in Million)

	As at 31st Dec., 2014	As at 30th June, 2013
h) Surplus/(Deficit) in the Statement of Profit and Loss		
As per last Balance Sheet	(25,513.71)	5,377.71
Add: Profit/(Loss) for the period	51,196.39	(28,261.19)
Balance available for Appropriations	25,682.68	(22,883.48)
Less: Appropriations		
Transfer to Capital Redemption Reserve	153.30	155.96
Transfer to Bond/Debt Redemption Reserve	2,054.24	1,909.34
Transfer to Legal Reserve	0.31	-
Transfer to General Reserve	300.00	300.00
Proposed Dividend - Equity Shares	230.14	198.77
Proposed Dividend - Preference Shares	3.16	27.68
Tax on Proposed Dividend	46.65	38.48
(h)	22,894.88	(25,513.71)
Total (a to h)	98,707.84	43,796.04

(₹ in Million)

5. LONG-TERM BORROWINGS

	As at 31st Dec., 2014		As at 30th June, 2013	
	Non-Current	Current	Non-Current	Current
a) Secured				
Term Loans from Banks	334,239.07	38,307.46	276,657.05	29,419.33
Term Loans from Financial Institutions	13,500.59	702.51	15,019.23	1,099.35
External Commercial Borrowings	-	-	-	589.41
Vehicle Loan from Banks	51.32	71.89	151.79	130.67
Loan from Others	0.05	-	0.05	-
Deferred Payment Liabilities	7,146.20	-	7,146.20	-
(a)	354,937.23	39,081.86	298,974.32	31,238.76
b) Unsecured				
Term Loans from Banks	75.00	100.00	-	2,000.00
Foreign Currency Convertible Bonds	-	12,402.72	11,652.34	-
Compulsorily Convertible Debentures	-	-	115.59	-
Loan from Others	26.79	7.04	27.66	-
Sales Tax Deferral	4.16	12.48	16.64	8.78
(b)	105.95	12,522.24	11,812.23	2,008.78
Total (a+b)	355,043.18	51,604.10	310,786.55	33,247.54

5.1 Secured Loans:

a) Term Loans from Banks and Financial Institutions:

- i) The Company, the subsidiary Videocon International Electronics Limited alongwith 11 other entities (collectively referred to as 'Obligors' and individually referred to as 'Borrower') executed facility agreement with consortium of existing domestic rupee term lenders, in the obligor/co-obligor structure, wherein all the Rupee Term Loans of the Obligors are pooled together. The Borrower entities covered are Videocon Industries Limited (VIL), Value Industries Limited, Trend Electronics Limited, KAIL Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Sky Appliances Limited, Techno Electronics Limited, Century Appliances Limited, PE Electronics Limited, Techno Kart India Limited (formerly Next Retail India Limited), Evans Fraser and Co. (India) Limited and Videocon International Electronics Limited.

Loans amounting to ₹ 169,745.20 Million (As at 30th June, 2013 ₹ 146,566.53 Million) are secured by first *pari-passu* charge on all present and future tangible/intangible assets (excluding the Identified Properties) of each of the Borrower, first *pari-passu* charge on the Trust and Retention Accounts of the Borrowers, second *pari-passu* charge on Identified Assets of Videocon Hydrocarbon Holdings Limited's (VHHL) subsidiaries through pledge of entire shareholding of VHHL in these overseas subsidiaries, second charge on pledge of 100% shares of Videocon Oil Ventures Limited and VHHL, second *pari-passu* charge on VHHL's share of cash flows from Identified Assets and second *pari-passu* charge over current assets of each of the Borrowers. The Rupee Term Loans are also secured by first ranking pledge over specified numbers of equity shares of Videocon Industries Limited, Trend Electronics Limited and Value Industries Limited held by the promoters, the personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot, Mr. Rajkumar N. Dhoot and first *pari-passu* charge on 'Videocon' brand (Also refer Note No. 38).

- ii) The Consortium of various banks have sanctioned the Letter of Comfort (LoC)/Stand-by Letters of Credit (SBLC) facility to the Company and its subsidiary Videocon Oil Ventures Limited (VOVL) (collectively referred to as 'Obligors') to secure the

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

foreign currency facility raised/ to be raised by Videocon Hydrocarbon Holdings Limited (VHHL), an overseas subsidiary, from its lenders.

Loans amounting to ₹ 167,872.03 Million (As at 30th June, 2013 ₹ 108,942.38 Million) under this LoC/SBLC facility is secured by first ranking pledge of 100% shares of VOVL, VHHL and shares of certain subsidiaries of VHHL, charge over their fixed assets, VHHL's share of cash flows from identified oil & gas assets through escrow of receivables, first ranking / exclusive charge on specified bank accounts for the benefit of the relevant LoC/SBLC provider, exclusive charge on oil & gas facility servicing account of Obligors set-up under the onshore Trust and Retention Accounts, negative lien for shares of other subsidiaries of VHHL viz. Videocon JPDA 06-103 Limited and Videocon Australia WA-388P Limited, first *pari-passu* charge on Videocon brand and personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot and Mr. Rajkumar N. Dhoot.

- iii) Loans amounting to ₹ 150.00 Million (As at 30th June, 2013 ₹ 1,200.00 Million) is secured by first *pari-passu* charge over the fixed assets situated at Bharuch and Aurangabad, both present and future.
- iv) Loans amounting to ₹ 512.40 Million (As at 30th June, 2013 ₹ 581.03 Million) is secured by mortgage of immovable assets and first charge on movable assets, cash flows and intangible assets pertaining to the 5.75 MW Multi Crystalline Silicon Photovoltaic Technology Project at Warora.
- v) Loans amounting to ₹ 10,750.00 Million (As at 30th June, 2013 ₹ Nil) are secured by first *pari-passu* charge on book debts of consumer electronics and home appliances division which are not charged to bankers for securing working capital loans and first *pari-passu* charge on equitable mortgage of specified properties owned by the Company and owned by other 6 entities. The loans are further secured by personal guarantee of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot and corporate guarantee of the entities whose properties have been mortgaged.
- vi) Loans amounting to ₹ 2,250.00 Million (As at 30th June, 2013 ₹ Nil) is secured by subservient charge on current assets of the Company, pledge of equity shares of Videocon Industries Limited held by other entities and personal guarantee of Mr. Venugopal N. Dhoot.
- vii) Loans amounting to ₹ 2,500.00 Million (As at 30th June, 2013 ₹ Nil) is secured by subservient charge on current assets of the Company, extension of pledge of equity shares of Videocon Industries Limited mentioned in note no. (vi) above and pledge of equity shares of Videocon d2h Limited held by other entities, mortgage of properties owned by other entities and personal guarantee of Mr. Venugopal N. Dhoot.
- viii) Loans amounting to ₹ 32,449.20 Million (As at 30th June, 2013 ₹ 33,710.00 Million) are secured by first *pari-passu* charge on existing and future assets of the Subsidiary Company viz. Videocon Telecommunications Limited (VTL), assignment of all telecom licenses held VTL by way of tripartite agreement to be executed between the Department of Telecommunications, VTL and Lenders and personal guarantee of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.
- ix) Loans amounting to ₹ 520.80 Million (As at 30th June, 2013 ₹ 590.55 Million) is secured by mortgage and first charge on entire immovable properties, both present and future of the Subsidiary Company viz. Comet Power Private Limited, first charge on cash flows, receivables, book debts and revenues, first charge on entire intangible assets, both present and future, first charge by way of hypothecation/mortgage/assignment of all the rights, titles, interest, benefits, claims and demands in project documents and power purchase agreement, clearances in letter of credit, guarantee, performance bond, corporate guarantee provided by project documents, first charge on trust and retention account and personal guarantee of Mr. Venugopal N. Dhoot.
- b) Vehicle Loan from Banks are secured by way of hypothecation of Vehicles acquired out of the said loan. The loans are also secured by personal guarantee of Mr. Venugopal N. Dhoot.
- c) Loan from Others is secured by certain investments held by the Subsidiary Company viz. Applied Energy Private Limited.
- d) Deferred Payment Liabilities:

Videocon Telecommunication Limited has availed deferred payment option for amount payable to Department of Telecommunications pertaining to Spectrum Fee. The deferred payment liabilities including interest are repayable in 10 equated annual installments commencing from 1st December, 2015. The annual installment is securitised through a financial bank guarantee of an amount of annual installment, which shall be renewed for a further period of one year on payment of each installment.

5.2 Unsecured Loans:

- a) The Parent Company had issued 2,000 Foreign Currency Convertible Bonds of US\$ 100,000 each (Bonds) during the year 2010, due on 16th December, 2015, out of which 1,944 (As at 30th June, 2013 - 1944) Bonds are outstanding.
 - i) The Bonds are convertible at the option of the bondholders at any time on or after 25th January, 2011 to 7 days before maturity date i.e. 16th December, 2015, at a fixed exchange rate of ₹ 45.255 per 1 US\$ and at initial conversion price of ₹ 239.5265 per share being at premium of 3% over reference share price. The conversion price will be subject to adjustment for, among other things, subdivision or consolidation of shares, rights issues, capital distributions, stock dividends and other dilutive events.
 - ii) The Bonds are redeemable in whole but not in part at the option of the Company on or after 15th December, 2013, if the closing price of shares for each of the 30 consecutive trading days prior to the date on which notice of such redemption is given was at least 130% of the conversion price.
 - iii) The Bonds are redeemable at maturity date i.e. on 16th December, 2015 at its principal amount, if not redeemed or converted earlier.
- b) The Parent Company has availed interest free Sales Tax Deferral under Special Incentive to Prestigious Unit (Modified) Scheme. Out of total outstanding, ₹ 12.48 Million is repayable in the financial year 2015 and balance amount of ₹ 4.16 Million is repayable in the financial year 2016.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

5.3 Maturity Profile:

Maturity between 1st January to 31st December of:

	Secured Loans			Unsecured Loans
	Term Loans from Banks	Term Loans from Financial Institutions	Vehicle Loan from Banks	Term Loans from Banks
Financial Year 2016	92,978.71	1,047.66	46.57	75.00
Financial Year 2017	41,378.19	1,469.91	3.24	-
Financial Year 2018	36,724.57	1,867.72	1.20	-
Financial Year 2019	46,595.64	2,789.05	0.21	-
Financial Year 2020	41,295.01	2,248.00	0.10	-
Financial Year 2021	41,295.01	2,248.00	-	-
Financial Year 2022	19,723.72	1,738.00	-	-
Financial Year 2023	130.00	92.25	-	-
Financial Year 2024	-	-	-	-
Financial Year 2025	-	-	-	-
Financial Year 2026	14,118.22	-	-	-

The Deferred Payment Liabilities including interest are repayable in 10 equated annual installments of ₹ 1,385.84 Million commencing from 1st December, 2015.

6. DEFERRED TAX LIABILITY/(ASSETS) - (NET)

		(₹ in Million)	
		As at 31st Dec., 2014	As at 30th June, 2013
a)	Deferred Tax Liability Related to Depreciation and Amortisation on Fixed Assets	8,133.50	9,374.13
		(a) 8,133.50	9,374.13
b)	Deferred Tax Assets		
i)	Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961	181.74	346.11
ii)	Unabsorbed Losses and Depreciation *	783.85	13,328.80
iii)	Tax Credit Entitlement (Foreign Country)	-	13,431.77
iv)	Others	75.40	192.79
		(b) 1,040.99	27,299.47
	Net Deferred Tax Liability/(Assets)	(a-b) 7,092.51	(17,925.34)

6.1 * The Subsidiary, Videocon Telecommunications Limited (VTL) had evaluated its future taxable income after it was awarded the Unified Licenses (Access services) in six circles with effect from 16th February, 2013 which are valid for a period of 20 years and also the allotment of 5 Mhz spectrum in 1800 Mhz category in each of these six circles and had recognized net deferred tax assets of ₹ 11,583.44 Million during the financial year 2012-13 on the unabsorbed depreciation and business losses based on the future business plan, estimated increase in subscribers base and considering additional capital infusion into the Company which would restrict further borrowings and related costs, and other factors. However, during the period the same has been reversed by the subsidiary, VTL.

7. LONG-TERM PROVISIONS

		(₹ in Million)	
		As at 31st Dec., 2014	As at 30th June, 2013
	Provision for Gratuity (Refer Note No. 32B)	177.87	161.62
	Provision for Leave Encashment (Refer Note No. 32B)	64.11	58.27
	Provision for Abandonment and Site Restoration Costs	1,770.70	1,279.51
	Total	2,012.68	1,499.40

8. SHORT-TERM BORROWINGS

Secured

	Loans from Banks	19,650.00	21,039.46
	Working Capital Loans from Banks	10,913.12	15,476.39
		(a) 30,563.12	36,515.85

Unsecured

	Loans from Banks	1,249.93	7,620.83
	Loans repayable on demand: From Others	14,627.39	13,946.97
		(b) 15,877.32	21,567.80
	Total (a+b)	46,440.44	58,083.65

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8.1 Secured Loans

- a) Short-Term Loans from Banks
- Loans amounting to ₹ 1,900.00 Million (As at 30th June, 2013 ₹ Nil) is secured by mortgage of specified property owned by the Company, negative lien on property owned by other entities and personal guarantee of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.
 - Loans amounting to ₹ 1,500.00 Million (As at 30th June, 2013 ₹ Nil) is secured by first *pari-passu* charge on book debts of consumer electronics and home appliances division which are not charged to bankers for securing working capital loans. The loan is further secured by personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot and Mr. Rajkumar N. Dhoot.
 - Loans amounting to ₹ 6,000.00 Million (As at 30th June, 2013 ₹ Nil) is secured against fixed deposits held by the Company.
 - Loans amounting to ₹ 1,000.00 Million (As at 30th June, 2013 ₹ Nil) is secured by subservient charge on current assets of the Company, pledge of equity shares of Videocon d2h Limited held by other entities, mortgage of specified properties owned by other entities, assignment of receivables from these properties and personal guarantee of Mr. Venugopal N. Dhoot.
 - Loans amounting to ₹ 9,250.00 Million (As at 30th June, 2013 ₹ Nil) is secured by exclusive charge over the land situated at Dist. Rewa, Madhya Pradesh owned by the Subsidiary Company viz. Prosperous Energy Private Limited, stake in PT. Gaung Alam Semesta's coal concession in Indonesia owned by other entities and personal guarantee of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.
- b) Working Capital Loans from Banks are secured by hypothecation of the Company's stock of raw materials, packing materials, stock-in-process, finished goods, stores and spares, book debts of Glass Shell Division and personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot and Mr. Rajkumar N. Dhoot.

8.2 Unsecured Loans

Unsecured Loans from Banks amounting to ₹ 1,249.93 Million (As at 30th June, 2013 ₹ Nil) is secured by equitable mortgage of property owned by other entities and personal guarantee of Mr. Venugopal N. Dhoot, Mr. Rajkumar N. Dhoot and Mr. Pradipkumar N. Dhoot.

(₹ in Million)

9. TRADE PAYABLES

Micro, Small and Medium Enterprises

Others

	As at 31st Dec., 2014	As at 30th June, 2013
	75.16	79.93
	17,271.63	15,695.71
Total	17,346.79	15,775.64

10. OTHER CURRENT LIABILITIES

Current maturities of Long-Term Borrowings (Refer Note No. 5)

Bank Overdraft as per books

Interest accrued but not due on Borrowings

Interest accrued and due on Borrowings

Advances from Customers and Unearned Income

Unclaimed Dividend

Creditors for Capital Expenditure

Other Payables

	51,604.10	33,247.54
	437.62	889.11
	5,101.26	3,250.36
	529.70	4,674.09
	560.73	483.66
	10.24	10.44
	558.65	9,735.73
	6,201.30	6,070.11
Total	65,003.60	58,361.04

11. SHORT-TERM PROVISIONS

Proposed Dividend - Equity Shares

Proposed Dividend - Preference Shares

Provision for Tax on Dividend

Provision for Warranty and Maintenance Expenses (Refer Note No. 46)

Premium Deficiency Reserve

Provision for Incentive Payment

Reserve for Unexpired Risk

Provision for Gratuity (Refer Note No. 32B)

Provision for Leave Encashment (Refer Note No. 32B)

	230.14	198.77
	3.16	27.68
	46.65	38.48
	648.46	653.24
	-	2.38
	70.79	-
	1,160.43	-
	36.73	36.28
	11.17	9.60
Total	2,207.53	966.43

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

Particulars	Gross Block				Depreciation/ Amortisation/ Impairment				Net Block	
	As at 30th June, 2013	Additions	Deductions/ Adjustments	Currency Translation Adjustments	As at 31st Dec., 2014	For the period	Deductions/ Adjustments	Currency Translation Adjustments	As at 31st Dec., 2014	As at 30th June, 2013
i) Tangible Assets										
Freehold Land	878.73	9.46	-	-	888.19	-	-	-	-	878.73
Leasehold Land	48.05	-	-	-	48.05	1.17	-	-	13.32	35.90
Building	6,821.05	9.60	28.05	10.33	6,812.93	249.09	1.29	3.10	2,789.61	4,282.34
Leasehold Improvements	834.29	12.40	6.62	-	840.07	128.84	2.42	-	401.85	558.86
Plant and Machinery	122,871.18	8,950.01	988.07	6.20	130,839.32	54,184.67	193.27	6.15	65,258.33	68,686.51
Furnace	1,576.39	-	-	-	1,576.39	-	-	-	1,560.62	15.77
Electrical Installation	172.92	2.92	-	-	175.84	10.44	-	-	124.07	51.77
Computers	469.85	66.93	3.37	(0.29)	533.12	121.59	2.97	(0.27)	443.95	89.17
Furniture and Fixtures	468.84	41.61	203.09	10.95	318.31	34.77	35.77	2.44	224.60	245.68
Office Equipments	401.59	31.25	2.27	-	430.57	45.24	0.85	-	284.59	161.39
Vehicles	1,292.29	124.70	86.60	1.93	1,332.32	169.62	36.02	(0.17)	793.33	632.39
Others	21.20	3.80	24.20	1.08	1.88	4.01	10.09	0.38	1.30	14.20
Total (i)	135,856.38	9,252.68	1,342.27	30.20	143,796.99	60,141.07	12,025.55	11.63	71,895.57	75,715.31
ii) Intangible Assets										
Computer Software	1,241.09	223.92	-	0.01	1,465.02	801.55	439.61	0.01	1,241.17	439.54
License/ Spectrum Fees	22,333.77	-	-	-	22,333.77	419.06	1,679.86	-	2,098.92	21,914.71
Producing Properties	4,847.31	1,333.26	-	-	6,180.57	4,425.93	1,221.15	-	5,647.08	421.38
Others	451.21	0.20	-	(52.31)	399.10	0.30	0.07	(0.04)	0.33	450.91
Total (ii)	28,873.38	1,557.38	-	(52.30)	30,378.46	5,646.84	3,340.69	(0.03)	8,987.50	23,226.54
Total (i+ii)	164,729.76	10,810.06	1,342.27	(22.10)	174,175.45	65,787.91	15,366.24	11.60	80,883.07	98,941.85
As at 30th June, 2013	148,845.02	35,893.48	20,012.67	3.93	164,729.76	56,298.23	13,257.19	18.67	65,787.91	98,941.85
iii) Capital Work-in-Progress	95,252.89				109,869.56				109,869.56	95,252.89

Notes:

- i) Plant and Machinery (Gross Block) includes assets capitalised under finance lease of ₹ 806.14 Million (As at 30th June, 2013 ₹ 806.14 Million) and corresponding accumulated depreciation of ₹ 758.06 Million (As at 30th June, 2013 ₹ 515.55 Million).
- ii) Computer Software (Gross Block) includes assets capitalised under finance lease of ₹ 10.00 Million (As at 30th June, 2013 ₹ 10.00 Million) and corresponding accumulated depreciation of ₹ 3.83 Million (As at 30th June, 2013 ₹ 0.85 Million).
- iii) Out of the Depreciation for the period, an amount of ₹ 1.47 Million (Previous period ₹ 1.49 Million) is transferred to "Pre-operative Expenditure Pending Allocation".

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

	(₹ in Million)			(₹ in Million)	
	As at 31st Dec., 2014	As at 30th June, 2013		As at 31st Dec., 2014	As at 30th June, 2013
13. PRE-OPERATIVE EXPENDITURE PENDING ALLOCATION			17. INVENTORIES		
Balance as per last Balance Sheet	1,606.12	2,165.20	(As taken, valued and certified by the Management)		
Add: Incurred during the period	52.55	679.69	Raw Materials including Consumables, Stores and Spares Materials in Transit and in Bonded Warehouse	14,625.16	13,527.94
	1,658.67	2,844.89	Work-in-Process	1,288.29	994.04
Less: Expenditure apportioned over cost of Fixed Assets/ Capital Work-in-Progress/Capital Advances	-	421.63	Finished Goods and Stock in Trade	4,668.03	4,172.90
Less: Transfer to Statement of Profit and Loss	-	817.14	Drilling and Production Materials	441.55	266.22
			Crude Oil	361.40	103.02
Total	1,658.67	1,606.12	Sim Card	36.46	32.17
			Total	24,103.72	21,656.82
14. NON-CURRENT INVESTMENTS QUOTED			18. TRADE RECEIVABLES		
i) In Equity Shares (Fully paid-up) - Trade	45.23	38.04	(Unsecured)		
ii) In Equity Shares (Fully paid-up) - Others	86.14	176.93	Outstanding for a period exceeding six months		
UNQUOTED			Considered Good	676.73	715.10
i) In Equity Shares (Fully Paid-up) - Trade	14,025.78	1,281.74	Considered Doubtful	357.81	316.41
ii) In Equity Shares (Fully Paid-up) - Others	380.24	530.76		1,034.54	1,031.51
iii) In Preference Shares (Fully paid-up)	1,020.38	1,020.38	Less: Provision for Doubtful Debts	357.81	316.41
iv) In Debentures/Bonds	5,863.94	4,452.67		676.73	715.10
v) In Other Investments	51.74	48.45	Others - Considered Good	29,458.93	28,718.84
Total	21,473.45	7,548.97	Total	30,135.66	29,433.94
15. LONG TERM LOANS AND ADVANCES			19. CASH AND BANK BALANCES		
(Unsecured, considered good)			Cash and Cash Equivalents		
Capital Advances	10,391.50	13,049.80	Cash on hand	12.76	18.50
Security/Other Deposits	920.33	468.60	Cheques/Drafts on hand/in transit	0.08	0.63
Advance Income Tax (Net of Provision)	760.25	470.38	Balances with Banks		
MAT Credit Entitlement	7.64	7.51	- In Current Accounts	4,038.11	2,000.86
Balance with Central Excise/ Customs Department	1,794.72	2,705.08	- In Fixed Deposits having maturity of 3 months or less	715.00	430.00
Loans and Advances to Others	33,453.82	26,828.66	(a)	4,765.95	2,449.99
Total	47,328.26	43,530.03	Other Bank Balances		
16. CURRENT INVESTMENTS UNQUOTED - Others			In Dividend Warrant Accounts	10.24	10.44
In Units of Mutual Funds	60.78	48.52	In Earmarked Accounts	589.60	750.93
In Debentures/Bonds	149.95	50.80	In Escrow Account (Refer Note No. 43)	11,842.88	-
In Infrastructure and Social Sector	199.96	-	In Fixed Deposits earmarked towards Site Restoration costs	826.99	624.14
In Government or Trust Securities	1,693.92	433.90	In Fixed Deposits:		
In Certificate of Deposits	98.36	99.27	a) Maturity 12 months or less:		
Total	2,202.97	632.49	- Held as margin money for credit facilities and other commitments	33,797.90	3,761.26
			- Given as security for short term loan of ₹ 6,000.00 Million	6,000.00	-
			- Others	116.00	-
			b) Maturity more than 12 months:		
			- Held as margin money for credit facilities and other commitments	1,021.33	1,407.36
			- Lien in favour of the Registrar, Supreme Court of India (Refer Note No. 37)	2,574.22	-
			(b)	56,779.16	6,554.13
			Total (a+b)	61,545.11	9,004.12

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	(₹ in Million)		(₹ in Million)	
	As at 31st Dec., 2014	As at 30th June, 2013	18 Months ended 31st Dec., 2014	18 Months ended 30th June, 2013
20. SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)				
Balance with Central Excise/ Customs Department	1,677.78	937.24		
Deposits	26.40	223.08		
Loans and Advances to Related Parties (Refer Note No. 44)	0.56	0.54		
Loans and Advances to Others	192,857.73	155,961.73		
Total	194,562.47	157,122.59		
21. OTHER CURRENT ASSETS				
Interest Accrued	542.90	620.47		
Insurance Claim Receivable	1.13	1.45		
Other Receivables	356.47	332.89		
Total	900.50	954.81		
		(₹ in Million)		
	18 Months ended 31st Dec., 2014	18 Months ended 30th June, 2013		
22. REVENUE FROM OPERATIONS				
Sale of Products/Services	209,219.68	193,752.71		
Income from Other Services	86.00	89.75		
Other Operating Revenue	647.18	396.07		
Total	209,952.86	194,238.53		
22.1 Particulars of Sale of Products/Services				
Electrical and Electronic items	174,945.84	167,315.57		
Crude Oil and Natural Gas	18,985.90	19,700.64		
Telecommunication Services	12,932.16	6,052.26		
Electrical Energy (Power)	612.70	688.86		
Insurance Business - Premium Earned (Net)	1,743.08	(4.62)		
Total	209,219.68	193,752.71		
23. OTHER INCOME				
Interest Income	1,856.11	5,175.91		
Income from Investments and Securities Division/Profit on Sale of Investments	138,982.43	17.88		
Profit on Sale of Fixed Assets	7.25	-		
Insurance Claim Received	34.14	34.12		
Other Non Operating Income	209.93	3,675.13		
Total	141,089.86	8,903.04		
24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE				
Closing Inventories				
Finished Goods and Stock-in-Trade	5,029.43	4,275.92		
Work-in-Process	1,288.29	994.04		
(a)	6,317.72	5,269.96		
Opening Inventories				
Finished Goods and Stock-in- Trade	4,275.92	3,861.36		
Work-in-Process	994.04	830.39		
(b)	5,269.96	4,691.75		
Total (b-a)	(1,047.76)	(578.21)		
25. PRODUCTION AND EXPLORATION EXPENSE - OIL AND GAS				
Production and Exploration Expenses	25,595.06	14,982.65		
Royalty	267.98	322.01		
Cess	350.17	371.20		
Production Bonus	50.16	71.66		
Government Share in Profit Petroleum	8,265.53	10,812.77		
Insurance Expenses	46.19	42.05		
Total	34,575.09	26,602.34		
26. ACCESS CHARGES, LICENSE FEES AND NETWORK EXPENSES				
Access and Roaming Charges	6,552.98	3,207.91		
License Fees and WPC Charges	721.31	352.00		
Rent	2,521.61	3,266.62		
Leased Line, Port and Bandwidth Charges	1,687.46	986.05		
Power and Fuel	1,215.24	1,145.77		
IT Expenses	32.77	177.13		
Other Value Added Services Charges	11.33	96.37		
Network Expenses- Others	166.78	190.62		
Site Expenses- Managed Services	200.11	60.48		
Freight and Carriage Expenses	25.33	4.65		
Repairs and Maintenance - Site Buildings	4.61	17.74		
Total	13,139.53	9,505.34		
27. EMPLOYEE BENEFITS EXPENSE				
Salary, Wages and Other Benefits	5,743.18	5,221.09		
Contribution to Provident Fund and Other Funds	273.16	255.07		
Staff Welfare Expenses	249.40	232.72		
Total	6,265.74	5,708.88		
28. FINANCE COSTS				
Interest Expenses	48,464.52	38,716.00		
Other Borrowing Costs	1,005.43	1,081.22		
Applicable Net Loss/(Gain) on Foreign Currency Transactions and Translation	247.73	977.73		
Total	49,717.68	40,774.95		
29. OTHER EXPENSES				
Power, Fuel and Water	1,233.52	1,432.19		
Freight and Forwarding	1,847.89	2,098.95		
Vehicle Running Expenses	754.18	388.55		
Rent, Rates and Taxes	834.05	686.48		
Repairs to Building	69.52	25.11		
Repairs to Plant and Machinery	93.44	91.21		
Other Repairs and Maintenance	252.36	225.43		
Insurance	104.85	114.46		
Advertisement and Publicity	2,582.45	2,689.14		
Sales Promotion Expenses	878.42	215.55		
Discount and Incentive Schemes	7,660.10	7,136.27		
Bank Charges	253.12	386.40		
Payment to Auditors'	33.33	29.07		
Donation	241.06	89.91		
Directors' Sitting Fees	3.37	2.34		
Legal and Professional Charges	7,489.48	452.46		
Liquidated Damages	-	1.30		
Sim Cost	90.78	44.60		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

	₹ in Million			₹ in Million	
	18 Months ended 31st Dec., 2014	18 Months ended 30th June, 2013		18 Months ended 31st Dec., 2014	18 Months ended 30th June, 2013
29. OTHER EXPENSES (Contd.)			31. EARNINGS PER SHARE		
Customer Service Cost	178.57	190.53	i) Net Profit/(Loss) attributable to Equity Shareholders		
Claim and Commission related to Insurance Business	1,783.09	4.00	Net Profit/(Loss) for the period	51,196.39	(28,261.19)
Royalty	354.30	262.39	Less: Dividend on Preference Shares including Tax on the same	3.79	32.38
Printing and Stationery	54.91	42.26	Net Profit/(Loss) attributable to Equity Shareholders	51,192.60	(28,293.57)
Warranty and Maintenance	1,360.01	1,332.68	ii) Weighted Average Number of Equity Shares considered for calculation of Basic EPS	319,054,381	314,683,004
Provision for Doubtful Debts	41.56	179.74	Weighted Average Number of Equity Shares considered for calculation of Diluted EPS	319,054,381	314,683,004
Loss on Sale/Discard of Assets, Capital Work-in-Progress including Pre-Operative Expenditure pending Capitalisation	-	3,813.90	(The effect of conversion option of FCCBs is anti dilutive in nature)		
Exchange Rate Fluctuation	2,331.58	5,314.66	iii) Basic Earnings per Share of ₹ 10/- each (₹)	160.45	(89.91)
Office and General Expenses	2,074.05	1,700.15	Diluted Earnings per Share of ₹ 10/- each (₹)	160.45	(89.91)
Total	32,599.99	28,949.73			
30. TAX EXPENSES					
Current Tax	198.14	11,987.80			
MAT Credit Entitlement	(0.13)	-			
Deferred Tax	2.64	(11,844.76)			
Reversal of Deferred Tax Assets recognised by the Subsidiary in previous year (Refer Note 6.1)	11,583.44	-			
Tax Credit Utilised/(Entitlement) - Foreign Company	13,431.77	(11,985.83)			
(Excess)/Short Provision of Income Tax for earlier years	-	(162.29)			
Total	25,215.86	(12,005.08)			

ADDITIONAL NOTES TO FINANCIAL STATEMENTS

32. EMPLOYEE BENEFITS: Disclosure pursuant to Accounting Standard (AS) 15 (Revised):

A) Defined Contribution Plans:

Amount of ₹ 273.16 Million (Previous period ₹ 255.07 Million) related to contribution to Provident and Other Funds are recognised as an expense and shown under the head "Employee Benefits Expense" (Note No. 27) in the Consolidated Statement of Profit and Loss.

B) Defined Benefit Plans:

I) The amounts recognised in the Balance Sheet as at the end of the period:

	₹ in Million		₹ in Million	
	31st Dec., 2014	30th June, 2013	31st Dec., 2014	30th June, 2013
a) Present value of Defined Benefit Obligation	299.78	253.24	75.28	67.87
b) Fair value of Plan Assets	85.18	55.34	-	-
c) Funded Status - Surplus/(Deficit)	(214.60)	(197.90)	(75.28)	(67.87)
d) Net Assets/(Liability)				
i) Non Current	(177.87)	(161.62)	(64.11)	(58.27)
ii) Current	(36.73)	(36.28)	(11.17)	(9.60)

II) The amounts recognised in the Statement of Profit and Loss for the period:

a) Current Service Cost	54.03	70.06	24.92	26.52
b) Interest Cost	32.48	26.07	8.33	7.62
c) Actuarial (Gains)/Losses	(22.93)	19.48	5.83	21.39
d) Past Service Cost	-	-	7.54	-
e) Actual return on Plan Assets	8.78	7.52	-	-
f) Total Expenses	54.80	108.09	46.62	55.53

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(Continued)

(₹ in Million)

	Gratuity		Leave Encashment	
	31st Dec., 2014	30th June, 2013	31st Dec., 2014	30th June, 2013
III) The changes in Obligations during the period:				
a) Present value of Defined Benefit Obligation at the beginning of the period	253.24	193.01	67.87	67.36
b) Current Service Cost	54.03	70.06	24.92	26.52
c) Interest Cost	32.48	26.07	8.33	7.62
d) Actuarial (Gains)/Losses	(22.93)	19.48	5.83	21.39
e) Past Service Cost	20.02	-	7.54	0.01
f) Benefit Payments	37.06	55.38	39.21	55.03
g) Present value of Defined Benefit Obligation at the end of the period	299.78	253.24	75.28	67.87
IV) The changes in Plan Assets during the period:				
a) Plan Assets at the beginning of the period	55.34	54.74	-	-
b) Contribution by Employer	32.09	8.36	-	-
c) Actual Benefits paid	11.03	15.28	-	-
d) Plan Assets at the end of the period	85.18	55.34	-	-
e) Actual return on Plan Assets	8.78	7.52	-	-
V) Actuarial Assumptions				
a) Discount Rate		7.85% to 8.50% per annum		
b) Mortality		Indian Assured Lives Mortality (2006-08) Ultimate		
c) Turnover Rate		1% to 12%		
d) Future Salary Increase		5% to 8% per annum		

33. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Million)

A) Commitments

Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)

B) Contingent Liabilities not provided for:

	As at 31st Dec., 2014	As at 30th June, 2013
i) Letters of Guarantees	42,220.77	39,315.56
ii) Letters of Credit opened (including Standby Letters of Credit)	1,026.85	21,668.51
iii) Claims against the Company not acknowledged as debts		
a) Custom Duty demands and penalties under dispute [Amount paid under protest ₹ 0.07 Million (As at 30th June, 2013 ₹ 3.41 Million)]	282.77	502.46
b) Income Tax demands under dispute [Amount paid under protest ₹ 67.11 Million (As at 30th June, 2013 ₹ Nil)]	284.74	3,149.41
c) Excise Duty and Service Tax demands and penalties under dispute [Amount paid under protest ₹ 31.53 Million (As at 30th June, 2013 ₹ 30.86 Million)]	1,285.14	1,034.95
d) Sales Tax demands under dispute [Amount paid under protest ₹ 70.93 Million (As at 30th June, 2013 ₹ 377.09 Million)]	1,135.24	1,131.51
e) Others [Amount paid under protest ₹ 50.00 Million (As at 30th June, 2013 ₹ 50.00 Million)]	9,519.51	4,966.95
f) Show Cause Notices (SCNs) have been served on the Operator of the Ravva Oil & Gas Field Joint Venture (Ravva JV) for non payment of Service Tax and Educational Cess on various services for the period July 2003 to 31st March, 2013. The amount involved relating to Ravva Block is ₹ 419.71 Million (As at 30th June, 2013 ₹ 418.88 Million).		

The Operator is contesting the SCNs/demands before Commissioner of Service Tax and has filed appeal before CESTAT, Bangalore and also writ petition before Hon'ble High Court of Madras challenging service tax demands on some of the services and believes that its position is likely to be upheld. The ultimate outcome of the matter cannot be presently determined and no provision for any liability that may result has been made in the accounts as the same is subject to agreement by the members of the Joint Venture. Should it ultimately become payable, the Company's share as per the participating interest would be upto ₹ 104.93 Million (As at 30th June, 2013 ₹ 104.72 Million).

- g) Disputed Income Tax demand amounting to ₹ 22.29 Million (As at 30th June, 2013 ₹ 22.29 Million) in respect of certain payments made by Ravva Oil & Gas Field Joint Venture is currently pending before the Hon'ble High Court of Madras. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made as the same is subject to agreement by the members of the Joint Venture. Should it ultimately become payable, the Company's share as per the participating interest would be upto ₹ 5.57 Million (As at 30th June, 2013 ₹ 5.57 Million).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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34. There are certain disputes with the Government of India ("GOI") with respect to the Production Sharing Contract dated 28th October, 1994 ("Ravva PSC") pertaining to Ravva Oil & Gas Field which were referred to more than one international arbitration for resolution. The respective International Arbitral Tribunals have issued their respective Awards from time to time substantially in favour of the Company. However the GOI has preferred to challenge few of the Awards in various Courts in India and overseas but has not succeeded so far in any of the Courts. Pending final resolution of the disputes, certain amounts have been excess recovered, deducted or short paid by the GOI and / or its Nominees which have been challenged by the Company and the Company is seeking recovery of amounts excessively recovered, deducted or short paid by the GOI and/ or its Nominees. Based on legal advice, the Company believes its contentions will be upheld. Any further sum required to be paid by the Company or recoverable by the Company in respect of any of these disputes in accordance with the determination of the amount by the Hon'ble Arbitral Tribunal/relevant courts in this regard shall be accounted for on the final outcome in those matters.
35. Videocon Telecommunications Limited ('VTL'), a subsidiary, had received a notice dated 17th November, 2014 from the Department of Telecommunications ('DoT') (Access Service Division), Ministry of Communications & IT directing it to show cause as to why the reserve price of ₹ 4,766.90 Million and interest on this amount are not to be recovered from the VTL as per the direction of Hon'ble Supreme Court of India in I.A. No. 11 of 2012 in Writ Petition (Civil) No. 423 of 2010.
- VTL in its response to the said show cause notice has denied the allegation made against it and has submitted that VTL is not liable to make payment of the reserve price of ₹ 4,766.90 Million and interest on this amount as per the direction of the Hon'ble Supreme Court and that the said show cause notice is not sustainable on facts and in law for the reasons given therein.
36. The DoT had issued demand notices for Liquidated Damages aggregating to ₹ 534.50 Million for 20 out of the 21 circles (all the circles except Delhi) allotted to VTL on account of delay in meeting 10% roll-out obligations as stipulated in the Unified Access Service License ('UASL') (since quashed vide judgement dated 2nd February 2012 of Hon'ble Supreme Court). Against these demand notices, VTL has paid a total sum of ₹ 419.30 Million of which it has charged ₹ 169.50 Million to the Statement of Profit and Loss for the year ended 31st December, 2011 and the remaining amount of ₹ 249.80 Million has been shown under Loans and Advances as the same are disputed and paid 'under protest'.
- a) VTL challenged before the Telecom Dispute Settlement Appellate Tribunal ('TDSAT') the claim of Liquidated Damages in respect of 10 circles (i.e. Andhra Pradesh, Assam, Haryana, Jammu & Kashmir, Karnataka, Kolkata, Madhya Pradesh, North East, Uttar Pradesh – East and West Bengal) seeking interim stay and finally setting aside the demand, inter alia on the ground that (1) there has been a delay in the allocation of start-up spectrum; (2) delay in SACFA clearance should have been calculated on the actual maximum delay and not the average delay; and (3) delay in meeting 10% roll-out obligations was on account of introduction by the DoT of new and onerous conditions in the license agreement (e.g. LI Testing, security clearance of equipment, etc.).
- b) The TDSAT has passed an order and judgment on 13th January, 2012 whereby it has set aside the demands of DoT in respect of 10 circles and directed DoT to give opportunity to the licensee before raising these fresh demands for liquidated damages. The Hon'ble TDSAT, vide its said judgment has also directed DoT to refund the amount of ₹ 242.30 Million paid by VTL as liquidated damages in respect of 10 circles along with 12% interest and VTL has been directed to deposit bank Guarantees for the amount of liquidated damages originally demanded.
- c) VTL has also challenged before the TDSAT the claim of Liquidated Damages in respect of 7 circles (i.e. Bihar, Gujarat, Kerala, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh-West) seeking interim stay and setting aside the demand, inter alia on the ground that (1) there has been a delay in the allocation of start-up spectrum; (2) delay in SACFA clearance should have been calculated on the actual maximum delay and not the average delay; and (3) delay in meeting 10% roll-out obligations was on account of introduction by the DoT of new and onerous conditions in the license agreement (e.g. LI Testing, security clearance of equipment, etc.).
- d) The TDSAT passed an order on 30th April, 2014 whereby the demands of DoT were quashed in respect of 7 circles in line with the TDSAT order dated 13th January, 2012 and directed DoT to give opportunity to the licensee before raising fresh demands for liquidated damages. The TDSAT, vide its said judgment has also directed DoT to refund the amount of ₹ 177.00 Million paid by VTL as liquidated damages in respect of 7 circles along with 12% interest and VTL has been directed to deposit bank guarantees for the amount of liquidated damages originally demanded.
- The order of the TDSAT dated 13th January, 2012 has been challenged by the DoT before the Hon'ble Supreme Court and by an order dated 23rd November, 2012, the Hon'ble Supreme Court has admitted the appeal and directed that there will be an interim order staying the interest payable on the principal amount, in terms of the impugned judgment of the Appellate Tribunal.
- The final demands payable by VTL, if any, is, therefore, unascertainable.
37. Intesa Sanpaolo S.p.A., an Italian bank, initiated winding up proceedings against the Company on the basis of 'Patronage Letter' issued by the Parent Company to the said Italian bank in June, 2007 for financial assistance given to one level step down subsidiary, M/s. VDC Technologies S.p.A., an Italian defunct company acquired by another subsidiary of the Company, M/s. Eagle Corporation Limited registered in Cayman Island. Single judge vide judgement dated 5th December, 2013 passed a conditional order of winding up of the Company on its failure to deposit in court the amount of ₹ 2,597.30 Million equivalent of Euro 38.00 Million, which was confirmed by the division bench of the High Court of Judicature at Bombay on 18th July, 2014.
- The Company has challenged the order of Bombay High Court by way of Special Leave Petition ('SLP') in the Supreme Court. The Company has denied its liability out of the said 'Patronage

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Letter'. The Company, pending the final disposal of SLP, agreed to create lien on Fixed Deposit Receipts of ₹ 1,363.82 Million and ₹ 1,210.40 Million in favour of the Registrar of Supreme Court. The Hon'ble Supreme Court has stayed the impugned order of the Bombay High Court and directed to issue Notice for further hearing of the matter. The Company has been advised by the legal counsels that the Italian bank does not have sustainable claim against the Company and as such no provision has been considered in the financial statements.

38. The Parent Company alongwith the subsidiary Videocon International Electronics Limited and 11 other entities (collectively referred to as 'Obligors' or individually as 'Borrower') executed Facility Agreement with the consortium of existing domestic rupee term lenders, under the obligor/co-obligor structure, wherein all the Rupee Term Loans of the Obligors are pooled together. The Borrower entities are Videocon Industries Limited, Value Industries Limited, Trend Electronics Limited, KAIL Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Sky Appliances Limited, Techno Electronics Limited, Century Appliances Limited, PE Electronics Limited, Techno Kart India Limited (formerly Next Retail India Limited), Evans Fraser and Co. (India) Limited and Videocon International Electronics Limited ('VIEL'). As per the said Facility Agreement, the Parent Company is agent of the Obligors and has been referred to as 'Obligor Agent'. The Rupee Term Loans have to be utilised for the purpose mentioned in the Facility Agreement which is mainly for refinancing of existing Rupee Term Loans of the Obligors. Accordingly, the Rupee Term Loans of ₹ 28,149.54 Million have been allocated to respective Obligors based on their outstanding amount as on 31st December, 2011 and the lenders have also disbursed ₹ 2,520.00 Million to some Obligors. As the Parent Company and VIEL are co-obligors, they are contingently liable in respect of the borrowings of other Obligors/Borrowers to the extent of outstanding balance of Rupee Term Loans as on 31st December, 2014 of ₹ 27,699.55 Million (As at 30th June, 2013 ₹ 17,919.40 Million).
39. The Directorate of Revenue Intelligence, Mumbai Zonal Unit ('DRI') has issued Show Cause Notice(s) ('SCN') dated 10th September, 2014 and 30th December, 2014 to the Company in connection with import of Colour Picture Tubes ('CPTs') by the Company and other concerns. Vide SCNs, the Company has been asked to explain / as to why the declared value of CPTs imported should not be rejected and re-determined and why the amount of anti-dumping duty of ₹ 1,657.21 Million and penalty thereon should not be recovered under the extended period under the provisions of the Customs Act, 1962.
- The Company has denied the allegation made by DRI for alleged evasion of duty before the adjudicating authority. Further, the Company has been advised by its counsels that as the goods in question are not domestically produced or manufactured in India, the question of levy of anti-dumping duty is untenable in the court of laws and, accordingly, there is no question of duty evasion or penalty thereon and no provision has been considered necessary in the financial statements.
40. Videocon Telecommunications Limited (VTL), a subsidiary, had been awarded licenses by the Department of Telecommunications ("DoT") to provide Unified Access Services ("UAS") in 21 telecom circles in India with effect from 25th January, 2008 which were valid for a period of 20 years. VTL had also been

allocated spectrum in 20 circles and had launched its commercial operations in 17 circles. The Hon'ble Supreme Court of India, vide its order and judgment dated 2nd February, 2012 ("Judgment") in two separate writ petitions, quashed the UAS licenses granted on or after 10th January, 2008 pursuant to two press releases issued on 10th January, 2008 and the subsequent allocation of spectrum to licensees which included the 21 UAS licenses issued and allocation of spectrum to the VTL.

The Hon'ble Supreme Court of India vide its Judgment had also directed the Central Government to grant fresh UAS licenses and spectrum allocation by auction. The DoT, had issued a Notice inviting applications for auction of spectrum. VTL participated in the said auction and has been awarded the Unified Licenses (Access Services) for 6 circles with effect from 16th February, 2013 which are valid for a period of 20 years. VTL has also been allotted spectrum in these 6 circles. VTL is continuing its commercial operations.

During the period, VTL has incurred a net loss of ₹ 28,045.33 Million resulting into accumulated losses of ₹ 68,390.26 Million as at 31st December, 2014. VTL has further issued and allotted share capital whereby the net worth has become positive as on 31st December, 2014. The ability of VTL to continue as a going concern is substantially dependent on its ability to fund its operating and capital expenditure requirements. The management of VTL, based on the business plan, increase in subscribers base, additional capital infusion in VTL which would restrict further borrowings and related costs, is confident of continuing its operations. Accordingly, the financial statements have been prepared by VTL on a going concern basis.

41. Joint Venture Disclosure:

- A. The Financial Statements reflect the share of the Group in the assets and the liabilities as well as the income and the expenditure of Joint Venture Operations on a line-by-line basis. The Group incorporates its share in the operations of the Joint Venture based on statements of account received from the Operator. The Group has, in terms of Significant Accounting Policy No. 1(E), recognised abandonment costs based on the technical assessment of current costs as cost of producing properties and has provided Depletion thereon under 'Unit of Production' method as part of Producing Properties in line with the Guidance Note on Accounting of Oil and Gas Producing Activities issued by the Institute of Chartered Accountants of India.

B. Unincorporated Joint Ventures:

- a) The Company has participating interest of 25% in Ravva Oil and Gas Field Joint Venture (JV) through a Production Sharing Contract (PSC). Other members of the JV are Oil and Natural Gas Corporation Limited, Cairn India Limited (formerly Cairn Energy India Pty Limited) and Ravva Oil (Singapore) Pte. Limited. The parties have pursuant to the PSC, entered into a Joint Operating Agreement. Cairn India Limited is the Operator.
- b) On 15th November, 2006, the consortium, comprising Videocon JPDA 06-103 Limited ("Videocon JPDA") one of the wholly owned subsidiaries, Oilex (JPDA 06-103) Limited – as Operator, Bharat PetroResources JPDA Limited and GSPC (JPDA) Limited, was allotted the petroleum block JPDA 06-103, under a Production Sharing Contract (PSC) by the Timor Sea Designated Authority. This block

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is located in the Timor Sea between Australia and Timor-Leste. Videocon JPDA had originally a participating interest of 25% in the PSC. Oilex has farmed-out 15% of its 25% Participating Interest to Japan Energy Corporation. Videocon JPDA has farmed-out 5% of its Participating Interest to Pan Pacific Petroleum of Australia reducing the same to 20%.

After two exploration wells at Lore and Lolotoe were drilled unsuccessfully, the work on the third well at Bazartate was suspended because of a dispute on the Maritime boundary between Governments of Timor Leste and Australia. The Joint Venture (JV) parties have put in a formal request to Government for termination of the PSC without penalty and in good standing. The regulator, Autoridade Nacional Do Petroleo, Temor-Leste (ANP) vide its letter dated 13th May, 2015 has informed the Operator that upon termination, the JV is liable to ANP for estimated costs of exploration not carried out and the damages for breach of its local content obligation aggregating to US\$ 17.02 Million. ANP has invited JV parties to submit in writing any matters, it wishes the ANP to consider by 12th June, 2015. The ultimate outcome of the matter can not be presently determined and no provision for any liability that may result has been made. Should it ultimately become payable, the subsidiary share as per participating interest would be upto ₹ 217.16 Million.

- c) On 4th September, 2009, Videocon Indonesia Nunukan Inc. (VIN), one of the wholly owned subsidiaries, has executed a Farmout Agreement with Anadarko Indonesia Nunukan Company - a wholly owned subsidiary Anadarko Petroleum Corporation, USA along with the related Joint Operating Agreement. The transaction was completed on 28th December 2009 (the Closing Date). Pursuant to this agreement, VIN has acquired a 12.50% participating interest in the Production Sharing Contract, covering the area referred to as Nunukan Block, located offshore Indonesia, with effect from 1st August, 2009 (the Effective Date). Other members of the consortium are Anadarko Indonesia Nunukan Company, PT Medco E&P Nunukan and BPRL Ventures Indonesia, BV (a step down wholly owned subsidiary of Bharat Petroleum Corporation Limited). Following Anadarko's sale of all the issued share capital in Nunukan Block, PSC to PT Pertamina Hulu Energi ("PHENC"), effective 15th February, 2013, PHENC became new Operator.

Badik-1 exploration well intersected 133 net feet of Oil and gas pay, which has been notified as a discovery. 1600 sq. km. 3D seismic data has been acquired in the Block to locate possible well location and identify further leads and prospects for drilling two appraisal wells and one commitment exploration well in the exploration phase. Badik-2 appraisal well was spud on 20th September, 2013 and drilled as a vertical well. The well was plugged and abandoned as a Gas/condensate well. Badik-3 was spud on 19th January, 2014 in a water depth of 203 ft and a TD of 10790 ft TVD/ 12131 ft MD. Badik-3 was also drilled as an Exclusive Operation, with PT Medco opted not to participate in the drilling. After drilling and testing of Badik-3 the resource base (2C) was estimated to 104.7 mmmboe. To enhance the resource base of Badik, the West Badik exploration well has been drilled, again as an Exclusive Operation (PT Medco opted not to participate). The Operator, vide letter dated 22nd

October, 2014 to SKK Migas sought PSC extension for 18 months i.e. upto 11th June, 2016, which has been accepted vide approval letter dated 10th December, 2014 by the Competent Authority, Directorate General of Oil & Gas. PT Medco holding 40% participating interest has indicated its intention to withdraw from PSC by assigning its 40% participating interest to other JV partners without any cost. The withdrawal and assignment agreement between PT Medco and other JV partner is expected to be executed soon, which would then be submitted to Government for necessary approval. The Operator has submitted preliminary draft Plan of Development (POD) to SKK Migas.

C. Incorporated Jointly Controlled Entities:

- a) IBV Brasil Petroleo Limitada (IBV), a company incorporated in Brazil, is 50 : 50 joint venture between Videocon Energy Brazil Limited (VEBL), a wholly owned subsidiary of the Company and Bharat PetroResources Limited, a wholly owned subsidiary of Bharat Petroleum Corporation Limited. IBV has interests in following four concessions with ten deep water offshore exploration blocks in Brazil.
- I) Campos Concession: A discovery of hydrocarbons has been made in Wahoo well prospect (BMC-30 Concession) in the Campos Basin. VEBL has 12.50% participating interest in the BM-C30 Campos Concession, where Anadarko is Operator. The JV has retained the entire Block, after Second Phase of Exploration ended on 24th November, 2010, for a Five Year Evaluation Phase approved by ANP. Discoveries have been announced in the Pre-Salt Upper-Sag Carbonates, of Aptian Age in Wahoo #1 and Wahoo #2 Wells. Drilling of Wahoo#3 well was completed on 3rd September, 2010 and was capped and abandoned with scope for re-entry in future. Drilling of appraisal well Wahoo#4, with oil column similar to Wahoo#1, was completed on 11th December, 2012. Detailed analysis of data and cores collected in Wahoo#4 is done. Wahoo#5, with an additional Coquinas prospect, to the North of Wahoo discovery, was drilled by Blackford Dolphin from 17th June, 2013. The well, completed on 2nd October, 2013, while confirming the extension of the pay zone, thicker than prognosed, had oil shows in Coquina section. MDT in pay zone confirmed oil similar to that encountered in Wahoo#1, whereas Coquina section yielded water. After the drilling of Wahoo#5, all of the proposed firm activities in the evaluation plan have been completed. The consortium has further carried out reprocessing of seismic data, incorporating all the data from the wells drilled, core lab studies etc. Presently Velocity modelling studies, Pre-FEED and FEED engineering studies are in progress to study/ screen various development options for the Wahoo field.
- II) Sergipe Concession: Sergipe Concession Blocks has 4 Blocks located in the North-Eastern offshore of Brazilian Basin, covers an area of 2,831 Sq.Km. Petrobras is the Operator with 60% and VEBL has a 20% participating interest in the Sergipe Concession. The second period of exploration has been fulfilled for all the four blocks. ANP has approved five appraisal plans in this concession with various timelines extending upto year

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2018, which have witnessed significant hydrocarbon discoveries in the Barra, Farfan, Cumbe, Papangu and Poco Verde structures, which are all in different stages of appraisal/ evaluation phases along with neighbouring Joint Venturers in a unitization proposal and the same are heading towards commercialization.

i) Block SEAL-M-426 in Sergipe Concession: The First Exploration Phase was completed with the drilling of first commitment well Barra (1-SES-158) drilled in Block – SEAL-M-26 on 15th July, 2010 in water depth of 2,340 metres, with target depth of 5,123 metres to access Maastrichtian and Campanian turbidite sands. Discovery of hydrocarbon was announced in the targeted Maastrichtian Turbidite reservoirs on 27th October, 2010. The well was temporarily abandoned and re-entered on 29th November, 2010, for exploring the deeper targets and test Albian source rock properties and was drilled to a TD of 6,510 metres. The deepened section has also encountered about 45 metres of additional Campanian pay zone by good LWD response and fluorescence. During wireline logs Light Black Oil was collected during MDT Test. Additionally the JV Parties declared oil discovery in Barra Structure in the deeper section with good quality sandstone reservoirs in Campanian section. Appraisal plan for Barra structure approved by ANP to develop the mean risked volumes of 4.35 TCF of gas and 151 million barrels of condensate. Subsequently, Barra#1 well in Barra Appraisal Plan, was drilled which encountered oil in Campanian sands, as was the case in the discovery well Barra. In August, 2014 Barra#3 appraisal well, was drilled, successfully, which appraised the Barra discovery to the northern part with 53 metres of pay thickness. The Drill Stem Test (DST) was carried out following the drilling established good flow potential for these reservoirs.

In the Second Exploration Phase, commitment well Farfan, in Block SEAL-M-426, was drilled, which encountered about 46 metres of gross oil column in the Campanian section. An Evaluation Plan (PAD) has been approved by ANP to appraise Farfan Structure where additional Campanian and Maastrichtian prospects are to be tested. Subsequently, Farfan#1 Appraisal Well was successfully drilled as one of the firm wells in Farfan PAD, from 21st May, 2013 to 7th September, 2013, which tested the same quality of oil encountered in the discovery well Farfan. Successful DST has been conducted in Farfan#1 which has established good productivity of the Farfan reservoirs. Three more appraisal wells were drilled in Farfan Appraisal Plan during 2014. Farfan Injector well (Farfan ADR) successfully confirmed & appraised the light Oil and Gas discovery in Farfan area with 54 meters thickness. Additionally, a new light oil accumulation in deeper reservoirs with a thickness of 28 meters with good permo-porositities has been discovered in this well. Injectivity test was carried out subsequent to completing the drilling activities in this well. The Farfan#3 well successfully

appraised and confirmed the extension of Farfan discovery and in addition found presence of new light oil accumulation with a total thickness of 68 metres in shallower reservoirs.

The operator has already initiated pre-development engineering studies and other subsurface studies for development of the Barra and Farfan discoveries.

- ii) Block SEAL-M-349 in Sergipe Concession: Exploration well Cumbe was drilled by deep water discovery to a final TD of 6,056 metres which had encountered gas and condensate in Maastrichtian section and oil in 3 sands in Campanian Section (gross ~70 metres). Deeper Santonian/Turonian section also had good gas shows, but couldn't be tested due to well complications. Evaluation Plan approved by ANP envisages to appraise Cumbe discovery area where additional Campanian and Maastrichtian prospects are to be tested. The first commitment well Cumbe#1 in Appraisal Plan could not be drilled to its target depth, due to well complications. The second appraisal well Cumbe#2 is presently under drilling.
- iii) Block SEAL-M-569 in Sergipe Concession: In Block 569, the MWP well Papangu was drilled targeting Campanian sands and Albian Carbonates. Campanian sands had numerous shows. ANP had approved the Papangu appraisal plan in 2013 with only seismic reprocessing as firm activity. The consortium has completed the firm activities under the Papangu appraisal plan and decided not to proceed to the contingent period, due to sub-commercial of field size. The area under the Papangu appraisal plan has been relinquished by the consortium, retaining approx. 20 sq.km. of area in block 569 under Verde appraisal plan.
- iv) Block SEAL-M-497 in Sergipe Concession: ANP has approved a joint appraisal plan part of BM-SEAL-11 and adjacent concession BM-SEAL-4 called as "Verde" joint appraisal plan, for the Verde Campanian discovery in the adjacent concession BM-SEAL-4. The firm appraisal period is valid till June, 2015 and consortium is yet to take a decision on drilling of a well. Two structures at the Campanian level have been identified as drillable prospects.
- III) Potiguar Concession: Potiguar Concession POT-M-16 comprises of 2 Blocks POT-M-760 and POT-M-663 with total area of 1,535 Sq. Kms is located in the North-eastern region of Brazil and lies partly onshore and offshore over most of the Rio Grande do Norte State was, awarded in 2006 under ANP-7 round, is located close to existing light oil fields and the exploration targets are in Tertiary and Cretaceous age turbidites in Stratigraphic and Strati-Structural traps. Deepwater portion of this basin is virtually unexplored. VEBL has 10% participating interest in the Potiguar Concession. In the first phase of exploration, one pre-existing well (1-CES-154) was drilled in Block POT-M-663. Albo-Cenomanian prospect identified based on detailed interpretation of 3D data.

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In March, 2013 BP Energy do Brasil Ltda (BP) farmed-in into Petrobras's participating interest, acquiring 30% participating interest in the BM-POT-16 Concession. Petrobras assigned 50% of its 60% participating interest in BM-POT-16 Concession to BP. Exploration commitment well Ararauna was drilled in Block POT-M-760 on 11th February, 2013 and completed on 10th October, 2013, with discovery of thin oil bearing sands in Albain/Cenomana age. Drilling results integration and interpretation are in progress. JV parties decided to enter into Ararauna appraisal plan, instead of entering into exploration phase-II and subsequently submitted the appraisal proposal to the regulator. ANP has approved Ararauna appraisal plan for a period of four years covering both the blocks. The firm activities as per this appraisal plan consist of G&G studies and drilling of one appraisal well within the first two year period. Presently G&G studies are being carried out to mature some of the prospects identified by the Operator and other consortium members. One exploratory/appraisal well is planned to be drilled in mid/late 2015. A small area of these blocks has been relinquished by the consortium.

- IV) Espirito Santos (ES-24) Concession: The Espirito Santos Concession is located along the Brazilian Continental Margin and extending from the Central-Southern part of Espirito Santos state to the Southern part of Bahia State. The concession Blocks cover an area of 1,645 sq. km. A pre-salt well, Serpa, in Block 588, reported a discovery but poor permeability prevents hydrocarbons from being commercially exploited with ordinary production techniques. The second Exploration Well Gouda in Block 663 was drilled to a depth of 3,576 metres without any hydrocarbon show. ANP accepted JV's proposal for continuing with Block-663 to second phase without commitment, along with Block-588, provided Requeijao is drilled. Thus, the second phase warranted two wells i.e one in 661 and other in 588/663.

Anadarko Corporation U.S.A. through its Brazilian subsidiary is the operator in Campos Concession whereas Petroleo Brasileiro S.A. is the operator in the other three Concessions.

- b) Videocon Infinity Infrastructures Private Limited is a 50 : 50 Joint Venture Company incorporated in India, with Infinity Infotech Parks Limited to carry on the business of infrastructure development like construction of IT/ITes Parks, Biotech Parks etc. The Joint Venture Company has not commenced its commercial operations.
- c) The financial interest of the Group in the jointly controlled incorporated entities based on financial statement received from these Joint Venture entities are as under:

(₹ in Million)		
Group's share in	31st Dec., 2014	30th June, 2013
Assets	42,799.25	32,600.90
Liabilities	41,970.93	31,672.85
Income	-	-
Expenses	-	-

D. The estimated amount of commitment of the Group towards contribution in various Joint Ventures for next year based on minimum work program is ₹ 24,295.88 Million (As at 30th June, 2013 ₹ 29,898.56 Million).

42. The Subsidiary Company Videocon Hydrocarbon Holdings Limited (VHHL) had sold and transferred its entire shareholding in Videocon Mozambique Rovuma 1 Limited to its subsidiary Videocon Mauritius Energy Limited for a consideration of USD 2,141.16 Million as per the agreement dated 28th December, 2012 after obtaining approval of the Government of Republic of Mozambique and payment of appropriate income tax.

43. The Subsidiary Company Videocon Mauritius Energy Limited (VMEL) alongwith its holding company Videocon Hydrocarbon Holdings Limited (subsidiary of the Company) had entered into a Share Sale and Purchase Agreement (SSPA) on 25th June, 2013 with ONGC Videsh Limited and OIL India Limited (Buyers) for sale of the entire shareholding in Videocon Mozambique Rovuma 1 Limited (VMRL), which owns 10% participating interest in Oil & Gas Block covering Area 1 Offshore of the Rovuma Block, Republic of Mozambique for a base consideration of US\$ 2,475.00 Million. Closing of the said transaction was consummated on 7th January, 2014 when entire share capital of VMRL was transferred by VMEL to Buyers in accordance with the said SSPA. The profit on disposal of the said subsidiary viz. VMRL, is included in Income from Investments and Securities Division/ Profit on Sale of Investments under Other Income in Note No. 23.

As per the terms of sale, a sum of USD 185.625 Million (equivalent to ₹ 11,842.88 Million) has been kept in Escrow Account with BNP Paribas Securities Services, (the Escrow Agent) to meet indemnity claim of the Buyers, if any, under SSPA. As on the balance sheet date, no claim has been received from the Buyers. The balance in the Escrow Account is classified and shown under "Other Bank Balances" under the Cash and Bank Balances (Note No. 19).

44. Related Party Disclosures:

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

- a) List of Related Parties where control exists and related parties with whom transactions have taken place and relationship:
- i) Associates:
- Radium Energy Private Limited - Associate - 26%
 - Unity Power Private Limited - Associate - 26% (w.e.f. 16th May, 2014)
- ii) Key Management Personnel:
- Mr. Venugopal N. Dhoot - Chairman & Managing Director
 - Mr. Rajkumar N. Dhoot - Chairman & Managing Director (Videocon Telecommunications Limited) - upto 18th February, 2014
 - Mr. Arvind Bali - Chief Executive Officer (Videocon Telecommunications Limited) - w.e.f. 18th February, 2014
 - Mr. Pradipkumar N. Dhoot - Whole Time Director (Videocon Hydrocarbon Holdings Limited)
 - Mr. Sunil Kumar Jain - Senior Vice President
 - Mr. Sunil Tandon - Senior Vice President (w.e.f. 1st July, 2013)
 - Mr. Chandramani M. Singh - Vice President
 - Mr. Abhijit Kotnis - Vice President
 - Mr. Arun Pal - Vice President
 - Mr. Roopam Asthana - Chief Executive Officer (Liberty Videocon General Insurance Company Limited)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

b) Transactions/outstanding balances with Related Parties:

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

(₹ in Million)

Particulars	Associates	Key Management Personnel
Nature of Transactions		
Reimbursement of Expenses	- (9.63)	
Short Term Advances/Loans given	0.02 (0.04)	
Short Term Advances/Loans received back	- (368.08)	
Remuneration		194.98 (145.27)
Outstanding as at 31st December, 2014		
Short Term Advances/Loans given	0.56 (0.54)	
Investments	61.38 (0.03)	

(figures in bracket are for the period ended 30th June, 2013)

c) Material transactions with Related Parties during the period are:

Short Term Advances/Loans Given to Radium Energy Private Limited ₹ 0.02 Million (Previous period ₹ 0.04 Million).

45. The effect of acquisition and disposal of subsidiaries during the period on the Consolidated Financial Statements is as follows:

(₹ in Million)

Name of the Company	Effect on Consolidated Profit/(Loss)	Net Assets As at 31st Dec., 2014
Disposals/Cessation		
Videocon Mozambique Rovuma 1 Limited	124,614.38	63.80
Unity Power Private Limited	16.23	(28.94)
Videocon Ivory Limited	(0.58)	1.72
Videocon Estelle Limited	(0.57)	1.59

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

(₹ in Million)

Particulars	Period ended 31st Dec., 2014	Period ended 30th June, 2013
a) Amount at the beginning of the period	653.24	632.15
b) Additional provision made during the period	648.46	653.24
c) Amount used	624.71	602.89
d) Unused amount reversed during the period	28.53	29.26
e) Amount at the end of the period	648.46	653.24

47. a) Operating Lease:

- Lease payments under cancellable leases are recognised as an expenses in the Consolidated Statement of Profit and Loss.
- The maximum obligation on long-term non-cancellable operating leases entered on or after 1st April, 2001 payable as per the rentals stated in respective agreements are as follows:

(₹ in Million)

Minimum Lease Payments	As at 31st Dec., 2014	As at 30th June, 2013
Not later than 1 year	81.20	137.60
Later than 1 year and not later than 5 years	143.99	549.11
More than 5 years	140.02	269.59
Total	365.21	956.30

- The Subsidiary Company viz. Videocon Telecommunications Limited (VTL) has entered into composite IT outsourcing agreements, wherein vendors have supplied the fixed assets and IT related services to VTL. Based on the risk and rewards incidental to the ownership, the fixed asset and liability are recorded at the fair value of the leased assets at the time of the receipt of the assets, since it is not possible for VTL to determine the extent of fixed assets and services under the contract at the inception of the contract. Such fixed assets received have been accounted for as finance lease. These assets are depreciated over the stated useful lives applicable to similar assets of VTL. Since the entire amount payable to vendors towards the supply of fixed assets and services during the period is accrued, the disclosures as per Accounting Standard 19 are not applicable.

48. The outstanding balances of certain Trade Receivables, Trade Payables, Deposits, Advances and Other Current Assets/Liabilities are subject to confirmation and reconciliation, if any. However, in the opinion of the management, adjustment, if any, will not be material.

49. In the opinion of the Board, the value on realisation of Current Assets, Loans and Advances in the ordinary course of the business would not be less than the amount at which they are stated in the Balance Sheet and the provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.

50. Segment Information:

The Company and its subsidiaries have identified four reportable segments viz. Consumer Electronics and Home Appliances, Crude Oil and Natural Gas, Telecommunications and Power. Segments have been identified and reported taking into account nature of products and services, the differing risks and return.

- Segment revenue and expenses include the respective amounts identifiable to each of the segments on the basis of relationship to operating activities of the segment as also amounts allocated on a reasonable basis. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

- b) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other corporate assets and liabilities that cannot be allocated between the segment are disclosed as "Unallocable".
- c) Primary Segment Information - Business segment:

(₹ in Million)

Particulars	Consumer Electronics and Home Appliances		Crude Oil and Natural Gas		Telecommunications		Power		Others		Total	
	Period ended 31.12.2014	Period ended 30.06.2013	Period ended 31.12.2014	Period ended 30.06.2013	Period ended 31.12.2014	Period ended 30.06.2013	Period ended 31.12.2014	Period ended 30.06.2013	Period ended 31.12.2014	Period ended 30.06.2013	Period ended 31.12.2014	Period ended 30.06.2013
i) Segment Revenue												
- External	175,675.44	167,800.19	18,985.90	19,700.64	12,933.36	6,053.46	612.70	688.86	1,745.46	(4.62)	209,952.86	194,238.53
- Inter Segment	-	-	-	-	-	-	-	-	-	-	-	-
Total Segment	175,675.44	167,800.19	18,985.90	19,700.64	12,933.36	6,053.46	612.70	688.86	1,745.46	(4.62)	209,952.86	194,238.53
ii) Segment Result before Interest	19,296.06	16,143.89	(16,980.98)	(7,626.35)	(7,677.03)	(15,190.67)	281.17	367.03	(2,634.69)	(610.22)	(7,715.47)	(6,916.32)
Less: Finance Costs	-	-	-	-	-	-	-	-	-	-	49,717.68	40,774.95
Add: Other Unallocable Income/ (Expenses)	-	-	-	-	-	-	-	-	-	-	132,313.69	4,654.70
Profit/(Loss) before Tax	-	-	-	-	-	-	-	-	-	-	74,880.54	(43,036.57)
Add: Share in Profit/ (Loss) of Associates	-	-	-	-	-	-	-	-	-	-	6.05	(5.09)
Add: Profit/(Loss) on Disposal/ Dilution of holding in Subsidiaries/ Associates	-	-	-	-	-	-	-	-	-	-	(8.18)	(1,032.21)
Tax Expenses	-	-	-	-	-	-	-	-	-	-	25,215.86	(12,005.08)
Profit/(Loss) before Minority Interest	-	-	-	-	-	-	-	-	-	-	49,662.55	(32,068.79)
Add: Minority Interest	-	-	-	-	-	-	-	-	-	-	1,533.84	3,807.60
Profit/(Loss) for the period	-	-	-	-	-	-	-	-	-	-	51,196.39	(28,261.19)

iii) Other Information:

(₹ in Million)

Particulars	Consumer Electronics and Home Appliances		Crude Oil and Natural Gas		Telecommunications		Power		Others/Unallocable		Total	
	Period ended 31.12.2014	Period ended 30.06.2013	Period ended 31.12.2014	Period ended 30.06.2013	Period ended 31.12.2014	Period ended 30.06.2013	Period ended 31.12.2014	Period ended 30.06.2013	Period ended 31.12.2014	Period ended 30.06.2013	Period ended 31.12.2014	Period ended 30.06.2013
Segment Assets	194,243.68	168,747.59	178,981.71	139,705.67	49,101.72	62,543.63	11,724.26	12,603.40	164,100.91	111,089.21	598,152.28	494,689.50
Segment Liabilities	126,969.85	101,390.85	173,189.47	148,589.00	47,492.58	48,551.49	6,374.62	7,376.32	142,073.33	141,644.86	496,099.85	447,552.52
Capital Expenditure during the period	8,845.39	11,912.73	43,912.14	45,664.53	15.02	18,467.28	91.08	(507.10)	291.48	385.47	53,155.11	75,922.91
Depreciation for the period	8,385.15	7,526.87	1,377.52	599.83	5,083.47	4,709.84	231.16	280.55	287.47	138.61	15,364.77	13,255.70

d) Secondary Segment Information:

(₹ in Million)

Particulars	Within India		Outside India		Total	
	Period ended 31.12.2014	Period ended 30.06.2013	Period ended 31.12.2014	Period ended 30.06.2013	Period ended 31.12.2014	Period ended 30.06.2013
Segment Revenue - External Turnover	198,223.71	187,780.60	11,729.15	6,457.93	209,952.86	194,238.53
Segment Assets	360,330.98	354,449.24	237,821.30	140,240.26	598,152.28	494,689.50
Segment Liabilities	324,244.75	318,224.10	171,855.10	129,328.42	496,099.85	447,552.52
Capital Expenditure	10,912.94	30,426.21	42,242.17	45,496.70	53,155.11	75,922.91

51. Previous period figures have been reclassified, restated, recasted to conform to the classification of the current period. The figures of the current period are not comparable with those of the previous period, as the current period's figures do not include operations of certain subsidiaries, consequent to their cessation to be subsidiaries of the Company in the previous period and include operations of certain subsidiaries for part of the period, consequent to their acquisition as stated in Note No. 2 above.

As per our report of even date

For and on behalf of the Board

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

For **KADAM & CO.**
Chartered Accountants

V. N. DHOOT
Chairman and Managing Director

BHUPENDRA Y. KARKHANIS
Partner

U. S. KADAM
Partner
Membership No. 31055

VINOD KUMAR BOHRA
Company Secretary

R. S. AGARWAL
Director

Membership No. 108336

Place: Mumbai

Date : 15th May, 2015

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011, respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Amount in	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment (Other than Investments in Subsidiaries)	Turnover/ Total Income	Profit Before Tax	Provision for Tax (Net of Write back)	Profit after Tax	Proposed Dividend	Country
1	Indigo Energy Private Limited	₹	₹ Mn		0.10	(0.33)	0.08	0.31	-	-	(0.02)	-	(0.02)	-	India
2	Percept Energy Private Limited	₹	₹ Mn		0.10	(1.65)	0.09	1.64	-	-	(0.03)	-	(0.03)	-	India
3	Comet Power Private Limited	₹	₹ Mn		207.32	(30.72)	724.94	548.34	51.59	261.02	1.43	0.01	1.42	-	India
4	Aplicent Energy Private Limited	₹	₹ Mn		0.10	(3.89)	172.01	175.80	61.36	0.05	(0.01)	-	(0.01)	-	India
5	Proficient Energy Private Limited	₹	₹ Mn		0.10	(3.63)	334.05	337.58	-	68.81	2.01	0.58	1.43	-	India
6	Videocon Energy Limited	₹	₹ Mn		1,000.00	(7.26)	993.38	0.64	-	-	(0.07)	-	(0.07)	-	India
7	Prosperous Energy Private Limited	₹	₹ Mn		0.10	(0.14)	446.61	446.65	-	-	(0.08)	(0.02)	(0.06)	-	India
8	Chhattisgarh Power Ventures Private Limited	₹	₹ Mn		0.10	(0.17)	1,565.33	1,565.40	-	-	(0.13)	(0.04)	(0.09)	-	India
9	Pipavav Energy Private Limited	₹	₹ Mn		5,500.00	(7.30)	7,131.88	1,639.18	-	-	(0.16)	-	(0.16)	-	India
10	Videocon JPDA 06-103 Limited	US\$	₹ Mn		0.06	(378.72)	7,080.97	7,459.63	-	-	(8.62)	-	(8.62)	-	Cayman Island
			US\$ Mn		0.001	(5.94)	110.99	116.93	-	-	(0.14)	-	(0.14)	-	Cayman Island
11	Videocon Energy Brazil Limited	US\$	₹ Mn		0.06	(671.45)	86,594.54	87,271.93	-	-	(16.15)	-	(16.15)	-	British Virgin Island
			US\$ Mn		0.001	(10.62)	1,357.28	1,367.90	-	-	(0.25)	-	(0.25)	-	British Virgin Island
12	Videocon Indonesia Numukan Inc.	US\$	₹ Mn		0.06	(18.72)	6,439.37	6,458.03	-	-	(12.17)	-	(12.17)	-	Cayman Island
			US\$ Mn		0.001	(0.29)	100.93	101.22	-	-	(0.19)	-	(0.19)	-	Cayman Island
13	Videocon Australia WA-388-P Limited	US\$	₹ Mn		-	(13.64)	0.98	14.62	-	-	(9.00)	-	(9.00)	-	Cayman Island
			US\$ Mn		-	(0.21)	0.02	0.23	-	-	(0.14)	-	(0.14)	-	Cayman Island
14	Videocon Mauritius Energy Limited	US\$	₹ Mn		103,698.61	(26,022.40)	77,676.58	0.37	34,412.04	1,380.45	(18,355.06)	191.45	(18,546.51)	-	Mauritius
			US\$ Mn		1,625.37	(407.87)	1,217.51	0.01	539.37	21.64	(287.70)	3.00	(290.70)	-	Mauritius
15	Videocon Hydrocarbon Holdings Limited	US\$	₹ Mn		12,951.40	108,421.32	291,252.77	169,880.05	-	34,757.09	(10,466.39)	-	(10,466.39)	-	Cayman Island
			US\$ Mn		203.00	1,699.39	4,565.09	2,662.70	-	544.78	(164.05)	-	(164.05)	-	Cayman Island
16	Videocon Oil Ventures Limited	₹	₹ Mn		1,000.00	(6,902.49)	9,623.69	15,526.18	-	0.46	(3,313.61)	-	(3,313.61)	-	India
			US\$	₹ Mn	51.20	(126.27)	5,587.18	5,662.25	-	2.89	(195.91)	-	(195.91)	-	British Virgin Island
17	Videocon Global Limited	US\$	₹ Mn		0.80	(1.98)	87.57	88.75	-	0.05	(3.07)	-	(3.07)	-	British Virgin Island
			US\$ Mn		374.32	(885.49)	180.79	691.96	-	0.30	(27.75)	-	(27.75)	-	Sultanate of Oman
18	Middle East Appliances LLC	RO	₹ Mn		2.25	(5.33)	1.09	4.17	-	-	(0.17)	-	(0.17)	-	Oman
			RO Mn		9.56	(3.18)	48.38	42.00	-	53.07	28.71	-	28.71	-	China
19	Videocon Electronic (Shenzhen) Limited (Chinese Name- Wei You Kang Electronic (Shenzhen) Co Ltd)	CNY	₹ Mn		0.92	(0.31)	4.65	4.04	-	5.11	2.76	-	2.76	-	China
			CNY Mn		50,011.90	(11,947.65)	69,148.92	31,084.67	2,758.30	0.45	(5,851.48)	-	(5,851.48)	-	India
20	Videocon International Electronics Limited	₹	₹ Mn		1,000.00	1,221.88	7,812.99	5,591.11	-	0.47	(0.04)	-	(0.04)	-	India
21	Jumbo Techno Services Private Limited	₹	₹ Mn		10.00	(3.14)	1,386.78	1,379.92	-	0.45	(0.05)	-	(0.05)	-	India
22	Senior Consulting Private Limited	₹	₹ Mn		70,000.00	(68,390.26)	49,102.28	47,492.54	0.02	12,983.85	(16,461.89)	11,583.44	(28,045.33)	-	India
23	Videocon Telecommunications Limited	₹	₹ Mn		0.50	(0.60)	0.25	0.35	-	1.22	(0.17)	-	(0.17)	-	India
24	Datacom Telecommunications Private Limited	₹	₹ Mn		6,793.50	(2,633.29)	6,623.82	2,463.61	5,116.50	2,188.92	(2,188.85)	-	(2,188.85)	-	India
25	Liberty Videocon General Insurance Company Limited	₹	₹ Mn											-	India

ATTENDANCE SLIP

VIDEOCON INDUSTRIES LIMITED

CIN : L99999MH1986PLC103624

Regd. Office: 14 K.M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan
Aurangabad – 431 105 (Maharashtra)

Tel. No.: +91-2431-251501/2 **Fax No.:** +91-2431-251551

E-mail id: secretarial@videoconmail.com **Website:** www.videoconworld.com

25th Annual General Meeting - 27th June, 2015

Regd. Folio No. / Client ID No.

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DP ID No.

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No. of shares held

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

I hereby record my presence at the **25th ANNUAL GENERAL MEETING** of the Company held on Saturday, 27th June, 2015 at 10.00 a.m. at the Registered Office of the Company at 14 K. M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, Aurangabad - 431 105 (Maharashtra).

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

.....
Member's / Proxy's Signature

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

Please read errata for typesetting matter.

PROXY FORM

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

VIDEOCON INDUSTRIES LIMITED

CIN : L99999MH1986PLC103624

Regd. Office: 14 K.M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan
Aurangabad – 431 105 (Maharashtra)

Tel. No.: +91-2431-251501/2 Fax No.: +91-2431-251551

E-mail id: secretarial@videoconmail.com Website: www.videoconworld.com

25th Annual General Meeting - 27th June, 2015

Name of the member(s)

Registered address

E-mail

Folio No. / Client ID No.

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DP ID No.

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

Name : E-mail:.....

Address :

..... Signature:

or failing him/her

Name : E-mail:.....

Address :

..... Signature:

or failing him/her

Name : E-mail:.....

Address :

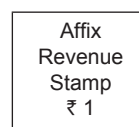
..... Signature:

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on the Saturday, 27th day of June, 2015 at 10.00 a.m. at the Registered office at 14 K. M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, Aurangabad - 431 105 (Maharashtra) and at any adjournment thereof in respect of such resolution as are indicated below:

(contd.....)

Resolution Number	Resolution	For	Against
Ordinary Business:			
1.	To adopt the Audited Statement of Profit and Loss for the financial period ended 31st December, 2014 and the Audited Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.		
2.	To declare dividend on Preference Shares.		
3.	To declare dividend on Equity Shares held by Non-Promoter Shareholders (Public Shareholders).		
4.	To appoint Auditors and fix their remuneration.		
Special Business:			
5.	To appoint Mrs. Ramabai Venugopal Dhoot (DIN: 02377583), as a Director, liable to retire by rotation.		
6.	To confirm/appoint Mr. Anil Joshi (DIN: 00019927) as an Independent Director.		
7.	To confirm/appoint Maj. Gen. Sudhir Chintamani Nilkanth Jatar (DIN: 00393605) as an Independent Director.		
8.	To confirm/appoint Mr. Radheyshyam Dalchand Agarwal (DIN: 00012594) as an Independent Director.		
9.	To ratify and confirm the payment of remuneration to Cost Auditor of the Company.		
10.	To re-appoint Mr. Venugopal Nandlal Dhoot (DIN: 00092450) as Managing Director for a period of 5 (Five) years.		
11.	To authorise Board of Directors to create, issue, offer and allot equity shares and/or other equity linked or convertible financial instruments ("OFIs") in one or more tranches, for an amount not exceeding ₹ 5,000 Crores (Rupees Five Thousand Crores Only), or its equivalent in foreign currency.		

Signed this _____ day of _____ 2015.



Signature of the Shareholder

Signature of the Proxy holder(s)

Notes:

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

If undelivered, please return to:

MCS Share Transfer Agent Limited

Unit: Videocon Industries Limited

002, Ground Floor, Kashiram Jamnadas Building
5, P D'mello Road, Masjid (East), Mumbai-400 009



This Annual Report is printed on ECO-FRIENDLY Paper