VIDEOCON INDUSTRIES LIMITED

Annual Report 2008-09

VIDEOCON

VIDEOCON INDUSTRIES LIMITED

BOARD OF DIRECTORS

Venugopal N. Dhoot	Chairman & Managing Director
Pradipkumar N. Dhoot	Whole Time Director
S. Padmanabhan	
Satya Pal Talwar	
Maj. Gen. S.C.N. Jatar	
Arun Laxman Bongirwar	
Radhey Shyam Agarwal	
Karun Chandra Srivastava	
Gunilla Nordstrom	Nominee - AB Electrolux (Publ)
Ajay Saraf	Nominee - ICICI Bank Ltd.
Dr. Birendra Narain Singh	Nominee IDBI Ltd.

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 KM Stone, Aurangabad - Paithan Road,
Village: Chittegaon, Tal. Paithan,
Dist.: Aurangabad - 431 105 (Maharashtra)

MANUFACTURING FACILITIES

14 KM Stone, Aurangabad - Paithan Road,
Village: Chittegaon,
Taluka Paithan, Dist.: Aurangabad
Maharashtra

Village Chavaj, Via Society Area,
Taluka & Dist. Bharuch
(Gujarat)

Vigyan Nagar, RICO Industrial Area,
Shajanpur, District Alwar,
(Rajasthan)

BANKERS

State Bank of India
Allahabad Bank
Bank of India
Bank of Maharashtra
Central Bank of India
ICICI Bank Ltd.
Indian Bank
Indian Overseas Bank
State Bank of Hyderabad
State Bank of Indore
State Bank of Mysore
State Bank of Patiala
The Federal Bank Ltd.
Union Bank of India
IDBI Bank Ltd.
Punjab National Bank

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the Twenty-first Annual Report together with the Audited Accounts and Auditors' Report of your Company for the year ended 30th September, 2009.

PERFORMANCE REVIEW

The performance of the Company, on standalone basis, for the financial year ended 30th September, 2009 is as summarized below:

(Rs. in Million)

Particulars	**Year ended 30th Sept., 2009**	Year ended 30th Sept., 2008
Net Sales	**91,630.41**	97,536.54
Other Income	**340.15**	288.22
Total Income	**91,970.56**	97,824.76
Profit before Interest, Depreciation, Exceptional Items and Tax	**17,918.57**	23,560.88
Interest and Finance charges	**6,363.61**	4,011.03
Depreciation	**5,771.52**	6,602.07
Exceptional Items	**-**	1,278.10
Profit before Tax	**5,783.44**	11,669.68
Provision for Taxation	**1,776.82**	3,126.73
Profit after Tax	**4,006.62**	8,542.95

OPERATIONS

Highlights on the performance of the Company during the year under review are summarized hereunder:

CONSUMER ELECTRONICS & HOME APPLIANCES:

Undeterred by the economic uncertainties looming large over the global horizon, your Company has made positive strides in its Consumer Electronics & Home Appliances Business and Company has posted a stable performance thanks to the technological up-gradation; multi-brand strategy; aggressive marketing; launch of new logo; and focused penetration in the key markets.

OIL & GAS:

The Company, through its wholly owned subsidiaries and / or joint ventures is carrying on the exploration activities in the oil and gas fields in Brazil, Mozambique, East Timor, Oman, and Australia.

As a part of Company's overall plans of acquiring further interests in oil and gas fields worldwide, the Company, through one of its subsidiaries, acquired a 12.5% participating interest in Production Sharing Contract, covering the area referred to as Nunukan Block, located offshore Indonesia.

During the year under review a pre-salt discovery was announced in the Wahoo prospect offshore Brazil block in the Campos basin wherein VB Brazil Petroleo Private Limitada, a joint venture company of the Company with Bharat PetroResources Limited, through its wholly owned subsidiary, holds, a 25% participating interest.

Subsequent to the balance sheet date, more than 480 net feet of natural gas pay in high quality reservoir sands with a gross column of more than 1,200 feet was encountered in Rovuma Basin, Area 1, offshore Mozambique, wherein one of the subsidiaries of the Company holds 10% participating interest.

Meanwhile, the Company continues to reap dividends from its oil & gas venture in Ravva Oil & Gas Field in India.

TELECOM

Videocon Telecommuncations Limited ("**VTL**"), (formerly Datacom Solutions Limited), one of the subsidiaries of the Company, has been awarded License to provide Unified Access Services in 21 local service areas and has also been allotted spectrum in 20 of these local service areas.

VTL is in process of launching the mobile services and has substantially completed creation of the basic infrastructure for the same. VTL has signed interconnect and roaming agreements with various operators and has entered into long term master service agreements with various reputed infrastructure providers for usage of their passive telecom infrastructure services. VTL plans to roll out its mobile services commercially in six circles by March 2010 and will be present in 11 circles by June 2010. VTL plans to roll out the mobile services commercially in rest of the telecom service areas where spectrum has been allotted, by December 2010.

POWER

One of the subsidiaries of the Company, Pipavav Energy Private Limited ("**PEPL**") is implementing a Power project in Gujarat, near Pipavav port, Village Bherai, Taluka Rajula, Dist. Amreli, Gujarat. This will be a thermal power plant with a capacity of 1,200 MW and the same will be completed in two phases. PEPL has signed necessary Memorandum of Understanding with the Govt. of Gujarat whereby the Govt of Gujarat has agreed to provide all required support to the project. PEPL has obtained necessary environmental clearances from Gujarat Pollution Control Board for constructing the power plant and has also obtained CRZ clearance from State Department of Environment & Forest. Acquisition of the necessary land required for the first phase of the project has been substantially completed and PEPL has invited bids for key equipments and necessary civil work and bathymetric survey work.

The Company is also considering power projects in the other parts of the country and also evaluating alternate technologies for the same.

ISSUES/ALLOTMENT & FORFEITURE OF SECURITIES

During the year under review, 1,17,65,000 warrants were allotted at a price of Rs. 42.50 per warrant, on preferential basis, to Bennett, Coleman & Company Limited with an option to subscribe to 1,17,65,000 equity shares at a price of Rs. 170.00 per equity share inclusive of a premium of Rs. 160.00 per equity share, within a period of 18 months from the date of allotment.

Forfeiture of Equity Shares

The Board of Directors of the Company at its meeting held on 31st July, 2009, approved the forfeiture of 43,948 equity shares of face value of Rs 10/- each and cancelled the shares. These shares were allotted pursuant to the amalgamation of erstwhile Videocon International Limited with the Company and in respect of which the allotment/call money were due and unpaid.

MATERIAL EVENTS AFTER BALANCE SHEET DATE:

Post balance sheet date, 1,858,275 equity shares were allotted, on preferential basis, to Infotel Telecom Infrastructure Private Limited at a price of Rs. 242.16 per equity share inclusive of a premium of Rs. 232.16 per equity share.

Further, post balance sheet date, the Board of Directors of the Company approved in-principle issue of equity shares, on rights basis, for an amount not exceeding Rs. 1,200 Crores. The Company has filed Draft Letter of Offer with the Securities & Exchange Board of India.

APPROPRIATIONS

DIVIDEND:

Your directors are pleased to recommend a dividend of Rs. 2/- (Rupees Two only) per equity share for the financial year ended on 30th September, 2009.

The dividend, if approved by the shareholders, will entail a payout of Rs. 541.14 million including dividend distribution tax of Rs. 78.61 million. The dividend is free of tax in the hands of the shareholders.

The dividend payout, as proposed, is in accordance with the Company's policy to pay sustainable dividend besides keeping in view the Company's need for capital, its growth plans and the intent to finance such plans through internal accruals.

TRANSFER TO GENERAL RESERVE:

Your directors propose to transfer Rs. 1,000.00 million to the General Reserve. An amount of Rs. 22,438.44 million is proposed to be retained in the profit and loss account.

FIXED DEPOSITS

The Company has never accepted any fixed deposit within the meaning of Section 58A of the Companies Act, 1956 and as such, no amount of principle or interest was outstanding as of 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 (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is annexed and forms part of this Report.

Your Company has an environment which is empowered, inclusive, driven by performance yet fun-filled with a diversified talent base.

- **Creativity and Autonomy:**

  An individual's creativity is the basis for value creation. Your Company respects diversity and autonomy allowing each of its employees to exercise their creativity to the fullest.

- **Emphasis on Competence:**

  Competence is the basis for performance. Your Company eyes competence as the most important factor in its personnel decisions.

- **Equal Opportunities:**

  Equal opportunities build trust among people. Your Company ensures equal opportunities to all regardless of gender, race, age, religion or nationality.

- **Long-Term Perspective:**

  Maintaining a long-term perspective is the foundation for your Company's Human Resource policies. Human Resource programmes are designed with a long-term perspective and implemented with dedication and persistence.

- **Training:**

  Your Company offers diverse training programmes to its employees according to position to encourage learning and development. This is done by equipping them with the professional capabilities and enabling them to apply the latest technologies at work.

- **Rewards:**

  Your Company offers its employees a competitive, unique rewards system which motivates employees to perform better by helping them to enhance their quality of life.

CONSERVATION OF ENERGY

"Energy saved is energy generated." Your Company strives for sustainable consumption of natural resources. The thrust of your Company's strategy is to save energy through application of various efficiency measures.

During the year, the efforts of your Company maneuvered to innovation and improvement so as to further reduce energy consumption. A novel concept nomenclatured as "Resource Productivity" was coined by the management of your Company as a golden means to attain optimum utilization of available resources, especially renewable resources. Implementation of the said concept has led to improvement in over-all efficiency. The same was implemented at all the manufacturing facilities.

Better controls are planned to achieve further reduction in energy consumption. The manufacturing facilities of the Company are equipped with hi-tech energy monitoring and conservation systems to monitor usage, minimise wastage and increase overall efficiency at every stage of power consumption.

Some of the measures being undertaken by the Company in its endeavor to conserve energy are enumerated hereunder:

- Energy auditing at the manufacturing units;
- Improvement in power factors by installation of Capacitors;
- Use of advanced technology at manufacturing plants in the form of energy efficient equipments;
- Use of unconventional energy sources like solar energy in the form of solar water heater plant;
- Timely maintenance of machinery and equipments;
- On-the-job and off-the-job training for employees at all levels;
- Use of energy saving lighting arrangement in shop floor and on roads inside the facilities by using Electronics Ballast and CFL lamps;
- Reduction in power consumption;
- Display of Notice Boards and Information Boards at all work stations for information and awareness of the employees;
- Awareness programmes towards optimum utilization of natural resources; and
- Plantation of trees at all the manufacturing units.

RESEARCH, DEVELOPMENT AND TECHNOLOGY ABSORPTION

Technology and Research & Development (R&D) go hand in hand. Your Company firmly believes that a sound R&D programme is a forté of every flourishing organisation and a well-planned R&D acts as a catalyst to foster innovation and enhance the interfaces in both, conventional and emerging technological arenas.

Accordingly, an in-house R&D team comprising of over 200 skilled engineers/experts in varied fields has been formed to keep pace with the rapid technological changes in the industry. The Company has Research and Development centre located in China, Aurangabad, Japan and Gurgaon.

Your Company is determined to develop its own technologies in select areas besides being an efficient user and customiser of available technologies. R&D and technology development are integral to your Company's innovation agenda for achieving growth, business profitability, sustainability and rural transformation.

The main thrust of the Company's R&D activities is upon strengthening of the current portfolio of products, looking for new concepts and product platforms, development of new technological platforms to support the consumer needs more effectively and introduction of a number of novel technologies in Consumer Electronics & Home Appliances. R&D work is in progress in the areas of basic technology, manufacturing skills, performance, quality, design and standardisation.

The Company's customer-oriented performance is backed by R&D activities. The Company has reinforced activities in advanced digital technology to deliver smart products which simplify life.

During the year under review, your Company has explored R&D avenues in an array of areas, some of them being:

- Home theaters - High-end models and HTIB Models.
- Larger Screen Television i.e. 32 inch and 38inch.
- True Flat Televisions.
- LCD TVs.
- Plasma Televisions.
- Cosmetic design and new out look to the TVs.
- Manufacturing of components for CTV, Refrigerators and Air conditioners.
- Developed high-end products to be offered to Indian market.
- Efforts to reduce power consumption of all its final products.
- Development of products suitable for Indian climate conditions, as well as same for export market.
- Introduction of TV with immense picture performance and razor slim design.

The Company's ongoing commitment to technology leadership coupled with its cutting-edge R&D capabilities has enabled it to consistently deliver innovative products that enhance and enrich life. In a nutshell, during the year, your Company was able to cash in on the following benefits:

- Developed new design in products and launched various new models.
- Developed high-end products to be offered to Indian market.
- Introduced Integrated Digital TV (iDTV) with a built-in digital decoder having MPEG 4 DVB-S2 Digital signal; Introduced LED TV with "Nano Pixels" for immense picture performance and Razor slim design; Introduced Unique "SMART TV", which set a platform for "Internet TV" to enjoy the Live Chatting, Browsing, Video conferencing, email access, Blu Tooth connectivity etc.; and various other ranges/series of LCD TV with Full HD 1080p resolution.
- Introduced Star Rated Products in Consumer Electronics and Home appliances. With this technology, the customer can have benefit of saving approximately 15% of power consumption, resulting into effective utilization of power resources in the nation.
- Introduced paint less product with a unique Hot and Cold Technology for moulding of parts. This helps to reduce pollution generated due to hazardous chemicals used in plastic paints and its process. Customer can enjoy the high glossy finish with ultimate scratch resistance.
- Developed new ranges of Direct Cool as well as Frost Free refrigerators like Ecocool, Ecocool Plus, Ecofresh, Deofresh, Nutricool, Nutricool Plus, Powercool. Developed 4 & 5 Star rated refrigerators with new exterior finish i.e. PCM-Pre-coated material.
- Introduced new base stand with smart VEGI TRAY, which is unique and give convenience to customer in day to day usage.
- Introduced new economic series of Direct cool refrigerator as "Bharat series", to cater to each and every Indian family. This has given cutting edge solution for the competitors on the price factor.
- Introduction of the products on health platform with Deodorizer, which gives the solution to remove the odour created by rotten vegetables and fruits.
- Enhanced Frost Free refrigerator series with introduction of LED & LEDi technology.
- Increase in Productivity.

In near future, the Company is proposing to concentrate on all the areas mentioned earlier, hereinbefore and to focus efforts on new technologies which could offer better products in the domestic market. The Company aims to achieve R&D in the following areas:

- Manufacturing of components for consumer Electronics Products.
- Various models of Multimedia TV; iDTV; LCDTVs; LED & LEDi
- Plasma Televisions.
- Composite Home Entertainment system with internet adaptability.
- Better features, better quality & improved reliability with reduced/low prices.

During the year, your Company has incurred Rs. 92.76 million representing 0.10% of the turnover towards R&D, to enhance the competitiveness of our core business and develop tomorrow's technologies.

As the management continues to expand its investment in core technologies and cutting-edge growth businesses, your Company ensures that its technology leadership, in India and abroad, grows stronger with every passing year.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars of Foreign Exchange Earnings and Outgo during the year are as set out hereunder:

(Rs. in Million)

Particulars	**For the year ended 30th Sept., 2009**	For the year ended 30th Sept., 2008
Foreign Exchange Earned	**5,226.24**	6,080.77
Foreign Exchange Used	**13,962.01**	14,113.62

The Company has taken various initiatives for exports and development of export markets for Consumer Electronics and Home Appliances to increase its foreign exchange earnings.

INFORMATION TECHNOLOGY

Information Technology and business are becoming inextricably interwoven. Nobody can meaningfully talk about one without talking about the other. Indeed, the growing influence of Information Technology as an enabler of business in today's time has made use of Information Technology indispensable. Information Technology, having made inroads into major industries, has left no aspect of our business and life untouched. Your Company firmly believes that an organization needs to have a 'digital nervous system' for sustaining the cut-throat competition for the 'Numero Uno' position in any sector of economy.

In due recognition of the key role played by Information Technology in revolutionizing the world, your Company has re-engineered its processes by leveraging Information Technology with an eye to building, sustaining and expanding its competitive edge.

Your Company has designed and implemented web based CRM application using ASP.NET 3.5 and SQL Server 2005. The robust and stable CRM application with comprehensive support enables handling of larger call volumes resulting into speedy response and prompt resolution of customers' queries.

SAP Solutions have enabled your Company to leverage the benefits of integration in business operations, optimization of enterprise resources, standardized business processes thereby enabling standard operating practices with well established controls. This has enabled the Company to adopt best and standardized business processes across the functions. It has also benefited the management at all levels with business information which is on-line and reliable to control the business operations in a well- informed manner. Your Company has a scale-up data centre infrastructure to cater to the business requirements. During the year under review, SAP BI Tool (Business Intelligence) was upgraded from 3.5 to 7 for providing intelligent and advance reporting functionality. There is secured and point-to-point VPN connectivity in its most of the branches and warehouses.

The Company has bagged SAP ACE Award, twice in a row, for "Best Consumer Sector Implementation" and "Excellence in Implementation of Various SAP Modules".

HEALTH AND SAFETY

'Safety of persons overrides all Production targets' – bearing this safety motto in mind, every business issue in your Company is discussed and every solution complies with the safety policy of your Company. The management of your Company believes that the employees are the heart and soul of the organization and hence, considers health and safety of its employees as its prime responsibility.

The health and safety platform of your Company is well supported by the safety management team which comprises of employee and management representatives. The team studies a plethora of health, safety and environment related issues at manufacturing plants and reports the observations along with requisite correctives measures, if any, to the management for necessary action. The Company arranges for and takes various measures to prevent occurrence of accidents on job. There is regular interaction between Corporate and the manufacturing units on the health and safety policy.

The health and safety initiatives adopted by the Company include:

- Conduct of safety audits.
- Accessibility of health and medical services to all employees through well equipped health centres at all manufacturing facilities.
- Medical camps, at regular intervals, to ensure fitness of its employees.
- Availability of ambulance, incase of emergency.
- On-the-job and off-the-job training programmes at regular intervals for upgradation of employees on awareness front.
- Display of evacuation plans at various locations to reach assembly point.
- Display of cautionary boards, notice boards and information boards at work stations for information and awareness of the employees.
- Close monitoring of health and safety activities to ensure maintenance of adequate standards.

ENVIRONMENT

Your Company is committed to sustainable development, for meeting the needs of the present without jeopardizing the welfare of future generations. The Company's business strategies consciously factor environment conservation as a major principle. The Company is continously looking for new ways to preserve the environment and manage resources responsibly. Your Company endeavours to be as eco-efficient as possible are unrelenting.

For your Company, economic, social and environmental responsibilities forms an integral part of its business. The eco-friendly initiatives adopted by the Company includes:

- setting new targets for energy efficiency.
- reducing the use of natural resources.
- promoting the use of alternative fuels and materials.
- re-engineering the processes and products to reduce energy consumption.
- tree-plantation campaigns.
- awareness programmes for employees at all levels.

The Company adopt clean technologies and processes that combine both economic progress and sustainable environment.

APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

During the year under review, Dr. Birendra Narain Singh was appointed as a Nominee of IDBI Limited in substitution of Mr. B. Ravindranath. Further, Thomson S.A. withdrew its nomination of Mr. Didier Trutt from the Board of the Company. Also, AB Electrolux (Publ) substituted their nominee on the Board of the Company. Ms. Gunilla Nordstrom was nominated on the Board in place of Mr. Johan Fant.

At the Twentieth Annual General Meeting held on 30th March, 2009, Ms. Gunilla Nordstrom and Mr. Radhey Shyam Agarwal were appointed as Directors and Mr. Kuldeep Drabu retired at the said Annual General Meeting, since not offered himself for re-appointment.

Pursuant to the provisions of the Companies Act, 1956 and in terms of the Articles of Association of the Company, Mr. S. Padmanabhan, Mr. Karun Chandra Srivastava and Mr. Arun L. Bongirwar are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

Mr. Venugopal N. Dhoot was appointed to the office of Managing Director for a period of 5 years with effect from 01st September, 2005. The tenure of Mr. Venugopal N. Dhoot as Managing Director of the Company ends on 31st August, 2010. The Board of Directors of the Company has approved re-appointment of Mr. Venugopal N. Dhoot as Managing Director of the Company subject to the approval of shareholders at the ensuing Annual General Meeting.

The Board recommends re-appointment of Mr. S. Padmanabhan, Mr. Karun Chandra Srivastava, Mr. Arun L. Bongirwar as Director and Mr. Venugopal N. Dhoot as Managing Director. Brief profiles of each of these Directors, specifying their expertise in specific functional areas, public companies in which they hold Directorship and Committee Positions, is annexed to the Notice and forms part thereof.

LISTING

The equity shares of your Company are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Global Depository Receipts (GDR) and Foreign Currency Convertible Bonds (FCCB) issued by your Company are listed on the Luxembourg Stock Exchange and Singapore Exchange Trading Securities Limited respectively.

SUBSIDIARY COMPANIES

During the year under review, Videocon Indonesia Nunukan Inc., Senior Consulting Private Limited and Jumbo Techno Services Private Limited became subsidiaries of the Company whereas Videocon (Mauritius) Infrastructure Ventures Limited and consequently Investcon Singapore Holdings Limited ceased to be the subsidiaries of the Company.

As such, as on 30th September, 2009, your Company had 23 (Twenty-three) subsidiaries (including step-down subsidiaries) viz.. Datacom Telecommunications Private Limited; Eagle Ecorp Limited; Videocon JPDA 06-103 Limited (formerly, Global Energy Inc.); Godavari Consumer Electronics Appliances Private Limited; Jumbo Techno Services Private Limited; Mayur Household Electronics Appliances Private Limited; Middle East Appliances LLc; Paramount Global Limited; Pipavav Energy Private Limited; Powerking Corporation Limited; Senior Consulting Private Limited; Sky Billion Trading Limited;Venus Corporation Limited; Videocon Displays Research Company Limited; Videocon Energy Brazil Limited (formerly: Videocon Global Energy Holdings Limited); Videocon Global Limited; Videocon Indonesia Nunukan Inc. (formerly: Spectrum Overseas Inc.); Videocon International Electronics Limited; Videocon Mozambique Rovuma 1 Limited (formerly: Videocon Energy Resources Limited); Videocon Energy Ventures Limited; Videocon Oman 56 Limited (formerly: Videocon Hydrocarbon Holdings Limited); Videocon Telecommunications Limited (formerly: Datacom Solutions Limited); and Wei You Kang Electronic (Shenzhen) Limited.

Ministry of Corporate Affairs, Government of India has granted approval that the requirement to attach various documents in respect of subsidiary companies, as set out in sub-section (1) of Section 212 of the Companies Act, 1956, shall not apply to the Company. Accordingly, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. Financial information of the subsidiary companies, as required by the said approval, is disclosed in the Annual Report. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies, joint ventures and associates, in accordance with relevant Accounting Standards of the Institute of Chartered Accountants of India.

The Company undertakes that annual accounts of the subsidiary companies and the related detailed information will be made available to the holding and subsidiary companies investors seeking such information at any point of time and the annual accounts of the subsidiary companies will also be kept for inspection by any investor at the Registered Office of the Company as well as the respective Registered Offices of subsidiary companies. Further, the summarized financial information of the subsidiary companies is also available on the website of the Company viz., www.videoconworld.com

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 of 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 year ended 30th September, 2009, in conformity with the provisions of Clause 32 of the Listing Agreement with the Stock Exchanges in India, is annexed hereto.

AUDITORS' REPORT

The Auditors' Report is unqualified. The observations made in the Auditors' Report, read together with the relevant notes thereon, are self-explanatory and hence, do not call for any comments under section 217 of the Companies Act, 1956.

AUDITORS

M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai and M/s. Kadam & Co., Chartered Accountants, Ahmednagar, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and have confirmed eligibility and willingness to accept office, if re-appointed. The Company has received certificates from the said Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

The Board recommends their re-appointment.

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE

It has been the endeavour of your Company to follow and implement best practices in corporate governance, in letter and spirit. Your Company is committed to maintain the highest standards of Corporate Governance. The Directors adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India and have implemented all the stipulations prescribed.

A detailed Corporate Governance Report is included in the Annual Report. A certificate from the Auditors of the Company regarding compliance with the conditions of corporate governance as required under Clause 49 of the Listing Agreement with the Stock Exchanges in India, forms part of the said report.

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 year ended 30th September, 2009, 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 30th September, 2009 and of the profit of the Company for the year 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.

TOKEN OF APPRECIATION

The Board applauds its employees of the Company for their alacrity and dedication to stabilize the company's operations in the tough market conditions.

The Board places on record its sincere thanks and appreciation for the continuing support of the dealers, vendors, business associates and employees in ensuring an excellent all-round operational performance. Your Directors also place on record their heartfelt gratitude to the Government Authorities, Banks and Financial Institutions for their support and guidance in navigating the Company through thick and thin.

The Board is also grateful to you for your support, especially during the challenging times. The Company salutes its shareholders for their undeterred faith in the credentials of the Company.

Your Directors look forward to their continued support in the future as well.

For and on Behalf of the Board of Directors of
VIDEOCON INDUSTRIES LIMITED

Venugopal N. Dhoot
Chairman & Managing Director

Place: Mumbai
Date: 27th February, 2010

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 AND FORMING PART TO THE DIRECTORS REPORT FOR THE YEAR ENDED 30TH SEPTEMBER, 2009

Name of Employee	Designation	Remuneration	Qualification	Age	Experience (Years)	Date of Joining	Name of Last Employer	Position (Designation) in Last Organisation
A. K. Modani	Sr. Vice President	6,912,900	B.Com., C.A., C.S.	46	26	16.11.1989	Shree Digvijay Cement Co.Ltd.	Finance Executive
Abhijit Kotnis	Associate Vice President	2,639,869	B.E. Electronics	41	20	01.04.2009	VDC Technologies SpA, Anagni. (Italy)	Factory Operational Head
Abhishek Lal	General Manager	2,658,416	B.Com., PGDBM	37	12	01.07.2008	TCL India Holdings Pvt. Ltd.	Dy. General Manager - Sales & Marketing
Ajay Bajaj	Vice President	2,186,314	B.Sc.	45	21	01.07.2008	LG Electronics India Pvt. Ltd.	Dy. General Manager
Ajay David	Asst. General Manager	402,016	B.A., M.B.A.	40	16	05.08.2009	Samsung India Electronics Pvt. Ltd.	Regional Sales Manager
Ajay Sapra	General Manager	2,018,106	B.Com., M.B.A.	47	23	02.03.2009	LG Electronics India Pvt. Ltd.	General Manager
Alok Mathur	General Manager	817,777	B.Com., M.B.A.	44	22	09.07.2009	Ion Exchange India Ltd.	Vice President
Amit Gupta	Vice President	7,783,857	B.Com.	48	25	07.05.2008	LG Electronics India Pvt. Ltd.	Sr. General Manager
Anil Bhatia	General Manager	608,907	B.E.	41	19	09.07.2009	Tecumesh Products India Pvt. Ltd.	Plant Manager
Anil Gundecha	Dy. General Manager	1,789,873	B.E. Mechanical	41	17	16.01.2001	Videocon Exports Pvt. Ltd.	Asst. Manager
Anuj Nangia	General Manager	727,612	B.Com., PGDBM	31	7	08.07.2008	Spice Mobiles Ltd.	General Manager - Product Marketing
Arindam Bose	Vice President	6,570,972	B.E., M.Sc., DBA	45	21	23.06.2008	Saudi Dairy & Foodstuff Company (Sadafco)	Director - IT
Arun Kumar Dashora	Vice President	2,796,426	B.E. Electronics	56	34	22.11.1987	Riico Ltd.	Dy. Manager
Aseem Taneja	Dy. General Manager	3,144,464	Tool Engineering	37	15	01.08.2008	Delphi Automotives	Manager - Manufacturing
Ashok Dash	Sr. General Manager	5,949,457	B.Sc., B.E. Mechanical	42	18	29.05.2008	Haier Appliances India Pvt. Ltd.	General Manager
Ashok Gangwal	General Manager	3,184,252	B.Com., C.A.,C.S.	47	23	01.07.2008	Kitchen Appliances India Ltd.	Asst. General Manager - Finance
Ashok Varma	Dy. General Manager	682,892	B.A., PGDPM	42	17	01.07.2009	Marathon Electric India Pvt. Ltd.	General Manager - HR
Ashutosh Pant	General Manager	4,418,091	B.Sc., PGDSM	42	20	22.05.2008	Samsung India Electronics Ltd.	Dy. General Manager - Sales
Chandramani Singh	Vice President	4,755,892	M.A., PGDBM	41	13	05.12.2008	Arron Engg.	Chief Executive Officer
Deepak Kumar	General Manager	2,676,071	B.Com., C.A., PGDBM.	43	19	02.06.2008	Victoria Impex Pvt. Ltd.	Executive Director - Sales
Devan Ellath	General Manager	2,059,852	B.Sc., PGDIM	48	24	23.05.2008	Mirc Electronics Ltd.	Business Head
Girish Shah	General Manager	2,486,562	B.E. Electronics and TC	45	21	29.12.2008	Samsung India Electronics Ltd.	General Manager - Manufacturing
Harsh Bansal	General Manager	2,844,625	B.Com., ICWAI, C.A.	36	12	07.07.2008	Hindustan Coca Cola Beverages Pvt. Ltd.	Financial Services Manager
Jaideep Gupta	Dy. General Manager	3,708,135	B.Com., M.B.A.	37	12	11.06.2008	LG Electronics India Pvt. Ltd.	Head - Sales Planning and Distribution
Jaideep Rathore	Sr. Vice President	3,454,902	B.Sc., M.B.A.	39	20	15.01.2009	Samsung India Electronics Ltd.	Sr. Vice President - Sales & Marketing
Jaidev Singh	Dy. General Manager	2,495,135	DME	41	19	20.08.2008	LG Electronics India Pvt. Ltd.	Manager Quality
Jerold Chagas Pereira	Vice President	568,610	B.Com., M.B.A.	39	14	19.08.2009	DLF Retail Developers Ltd.	Sr. Vice President
K.R. Kim	Chief Executive Officer	28,514,665	Law Graduate	64	31	01.09.2008	LG Electronics India Pvt. Ltd.	Managing Director
Muraharirao Pochiraju	General Manager	4,192,050	B.Com., M.B.A.	43	19	18.05.2008	Home Solutions Retail India Ltd.	General Manager - TV & White Goods
Nagarajan Iyer	Sr. General Manager	4,996,154	DIET, B.A., M.B.A.	45	25	07.06.2008	Kyocera Wireless India Pvt. Ltd.	Director - Service Operation
Nigel Pinto	General Manager	2,908,632	B.A.	45	26	01.07.2008	Kitchen Appliances India Ltd.	General Manager
Nishkam Bhasin	Dy. General Manager	4,095,317	B.E., MMS	38	14	19.08.2008	LG Electronics India Pvt. Ltd.	Asst. General Manager
Nitin Shewale	General Manager	3,279,219	B.E. Electronics	45	22	14.01.1989	N.A.	N.A.
Prasoon Kumar	Sr. General Manager	4,772,691	B.A., DSM, M.B.A.	39	14	22.05.2008	ICICI Bank Ltd.	Asst.General Manager
Predeep Kumar Gupta	Vice President	8,115,656	B.Com., C.A.	45	20	11.09.2008	LG Electronic India Pvt. Ltd.	Head of Finance
Probal Shekhar	General Manager	3,704,191	B.Sc., PGDIMM	45	22	03.09.2008	Mirc Electronics Ltd.	Regional Business Manager
R. T. Rajan	Vice President	162,619	B.Com.	53	21	21.09.2009	Haier Appliance India Pvt. Ltd.	Director - Sales & Market
R. K. Bang	General Manager	2,400,050	M.Sc. (Phy.)	47	25	01.05.2005	Videocon Exports Pvt. Ltd.	Asst. General Manager
Rahul Sethi	Vice President	7,223,340	B.Com.	58	35	01.02.1987	Gedor Ltd.	Commercial Manager
Rajeev Bhutani	General Manager	4,333,153	B.Sc., PGDBM	42	18	09.06.2008	Haier Appliances India Pvt. Ltd.	Product Head - Group
Rajendra Shenoy	Asst. Vice President	4,077,415	B.E. Electronics	44	23	10.04.2004	Taxmaco	Factory Manager
Rajesh Vajpayee	General Manager	2,401,424	B.Sc.	54	25	01.07.2008	Akai Consumer Electronics (I) Ltd.	Asst. General Manager-Sales
Rajiv Ganju	Sr. General Manager	2,375,539	B.E., PGDBM	44	20	28.07.2008	Motorola India Pvt. Ltd.	National Service Manager - Quality & Customer Service
Ram Manohar	General Manager	475,000	M.Tech.	40	15	03.08.2009	Perlos Telecommunication and Electronic Components (India) Pvt. Ltd.	Operation Head
S. B. Khedkar	General Manager	2,576,167	B.Sc.	51	27	18.08.2008	Usha International Ltd.	Vice President - Marketing
Sandeep Sethi	General Manager	3,906,261	B.E. Industrial Electronics	40	11	12.07.2008	Auxicogent	General Manager - Bid
Sanjeev Jain	Asst. Vice President	4,633,524	B.Com.	41	19	23.05.2008	ICICI Bank Ltd.	Business Head
Shekhar Jyoti	Vice President	8,444,872	B.Com., M.B.A	47	26	22.01.1986	Macotax Consultants Pvt. Ltd.	Vice President
Shoumick Mitra	General Manager	3,766,398	B.Com., PGDMS	47	23	15.09.2008	General Enterprise Co. (An Ai Batha Group)	National Sales & Marketing Manager
Srinivas Sattiraju	General Manager	3,693,374	B.Com., M.B.A	44	20	03.07.2008	DHL Lemuir Logistics Pvt. Ltd.	Business Services & Logistics Support Manager
Subhash Nabar	Joint President	3,578,068	B.E. Mechanical	62	38	01.07.1997	Videocon Communication Ltd.	Dy. General Manager
Sudarshan Shelgaonkar	Dy. General Manager	1,698,380	M.E. Power Electronics	38	18	01.07.2008	Techno Electronics Ltd.	Dy. General Manager
Sunil Kumar Jatta	Asst. General Manager	2,549,640	B.Com., M.B.A.	37	14	11.06.2008	ICICI Bank Ltd.	National Head
Surya Kanta Dash	General Manager	228,985	B.Com., M.Com., GDMM	41	16	03.09.2009	Nokia India Pvt. Ltd.	Head Supply Chain & Logistics
Umesh Chawla	Asst. General Manager	1,017,281	B.Com., PGDMM	36	13	02.05.2009	LG Electronics India Pvt. Ltd.	Branch Manager

a) Remuneration includes Basic Salary, Ex.Gratia, H.R.A., Mktg. Allowance, Special Allowance,C.A., L.T.A., Leave Encashment, Medical Reimbursement & 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.

Place: Mumbai
Date: 27th February, 2010

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2008-09

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

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Corporate Governance philosophy of your Company stems from its belief that Corporate Governance is a key element in improving efficiency as well as enhancing investor confidence.

Your Company seeks to maximize shareholder value while safeguarding and promoting the interests of other stakeholders and maintaining a steadfast commitment to ethics and code of conduct. Your Company believes that retaining and enhancing stakeholders trust is essential for sustained corporate growth and has engrained into its culture and into each associate, the values of honesty and fairness. For your Company, adherence to Corporate Governance stems not only from the letter of law but also from the inherent belief of doing business in the right way.

Tenets of your Company's Corporate Governance Philosophy are:

- Accountability and fairness towards all stakeholders;
- Create value for all stakeholders without compromising on ethical principles;
- Comply with laws in all countries in which the Company operates; and
- Clear communication of relevant information and high degree of disclosure levels.

Your Company is committed to Corporate Governance and endeavors to adhere to the highest standards of corporate values and ethics which predates SEBI and Clause 49 of the listing agreements and in doing so, it has consistently enhanced shareholders' value.

The Company is in compliance with the requirements of Clause 49 of the Listing Agreement. The details of Compliances are detailed hereunder:

BOARD OF DIRECTORS

1. Composition as on 30th September, 2009:

In keeping with the commitment of the management towards the principles of integrity and transparency in business operations for good corporate governance, your Company's policy is to have an appropriate blend of executive and independent directors to maintain the independence of the Board, and to separate the Board's functions of governance and management.

Accordingly, the Board of Directors of the Company comprises of eminent persons having versatile experiences in diversified fields, including Finance, Marketing, Technical, Management and Administration. The strength of the Board, at the end of the financial year, was eleven of which two are Promoter-Executive; one Non Executive - Non Independent and eight are Independent Directors.

Category	Directors	No. of Directors
Promoter, Executive	Mr. Venugopal N. Dhoot (Chairman and Managing Director) Mr. Pradipkumar N. Dhoot (Whole-Time Director)	2
Non - Executive, Non - Independent	Ms. Gunilla Nordstrom (Nominee – AB Electrolux Publ)	1
Non - Executive, Independent	Mr. S. Padmanabhan Mr. Satya Pal Talwar Mr. Radhey Shyam Agarwal Mr. Arun Laxman Bongirwar Maj. Gen. S. C. N. Jatar Mr. Karun Chandra Srivastava Mr. Ajay Saraf (Nominee - ICICI Bank Ltd.) Dr. B. N. Singh (Nominee - IDBI Limited)	8

Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot are relatives within the meaning of Section 6(c) of the Companies Act, 1956.

2. Board Procedure:

The Company has a well-defined process of placing vital and sufficient information before the Board pertaining to business to be considered at each Board Meeting so as to enable the Members of the Board to participate in the discussion and discharge its responsibilities effectively.

The Company is in substantial compliance with the Secretarial Standards governing Board Meetings, as set out in Secretarial Standards 1 issued by the Institute of Company Secretaries of India. The Company Secretary, in consultation with the Board of Directors, finalizes the agenda of the Board and Committee Meetings, which is distributed to the Board/Committee Members well in advance.

The basic information furnished to Board Members and the Procedure is as set out hereunder:

a. The Company has defined guidelines for the meetings of the Board of Directors and Committees thereof. These guidelines seek to systematize the decision making process at the meetings of Board/ Committees, in an informed and efficient manner.

b. All Board/Committee Members are given notice of the meetings in advance. The meetings are governed by structured agenda. The agenda alongwith the explanatory notes are distributed well in advance.

c. The Board/Committee Members have unqualified access to all information available with the Company. The information generally provided to the Members inter-alia includes:

- Annual operating plans and budgets;
- Quarterly, Half Yearly and Annual financial results;
- Minutes of the Annual General Meetings / Extraordinary General Meetings / Board Meetings / Meetings of Audit and other Committees to the Board;
- Notice of Interest;
- Material important litigations, show cause, demand, prosecution and penalty notices, if any;
- 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 etc;
- Compliance Reports;
- Minutes of the Board Meeting, Annual General Meetings of Subsidiary Companies and significant transactions if any; and
- Related Party Transactions.

d. Minutes of the proceedings of each Board/Committee meeting are recorded. Draft minutes are circulated amongst all members for their comments. The minutes of the proceedings of the meetings are entered in the Minutes Book.

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

3. 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 www.videoconworld.com. All directors and senior management personnel have affirmed compliance with the code for 2008-09. A declaration to this effect signed by the Managing Director is given in this Annual Report.

4. Meetings:

During the financial year, the Board met eleven times on 27th October, 2008; 07th November, 2008; 23rd January, 2009; 31st January, 2009; 26th February, 2009; 02nd April, 2009; 27th April, 2009; 29th April, 2009; 21st May, 2009; 31st July, 2009 and 11th August, 2009. The gap between any two meetings has been less than four months.

5. **Attendance Record of Directors:**

Name of the Director	Whether Attended AGM held on 30th March, 2009	Attendance in Board Meetings held during the year / tenure	Other Board As on 30th September, 2009		
		Total Meetings Attended +	Directorship **	Committee Chairmanship #	Committee Membership #
Mr. Venugopal N. Dhoot	Yes	9	14	1	1
Mr. Pradipkumar N. Dhoot	No	5	14	-	4
Mr. Radhey Shyam Agarwal	No	5	9	3	4
Mr. S. Padmanabhan	No	6	13	-	7
Maj. Gen. S. C. N. Jatar	No	8	1	-	1
Mr. Satya Pal Talwar	Yes	9	12	4	4
Mr. Arun L. Bongirwar	No	8	3	-	1
Mr. Karun Chandra Srivastava	No	9	3	-	2
Ms. Gunilla Nordstrom	No	2	-	-	-
Mr. B. N. Singh	No	6	-	-	-
Mr. Ajay Saraf	No	6	2	-	1
Mr. Kuldeep Drabu	No	-	-	-	-
Mr. Didier Trutt	No	-	-	-	-

+ Includes meeting(s) participated through audio conferencing.

** Directorship held by directors does not include any alternate directorships, directorships in Foreign Companies, directorship in Companies incorporated under Section 25 of the Companies Act, 1956 and Private Limited Companies.

As per Clause 49 of the Listing Agreement, Membership/Chairmanships of only the Audit Committee and Shareholders/Investors' Grievance Committee of Public Limited Companies have been considered.

6. **Brief Details of Directors seeking appointment/re-appointment:**

The brief details of directors seeking appointment/re-appointment are appended to the Notice convening the Twenty-first Annual General Meeting.

BOARD COMMITTEES

The Board of Directors of the Company have set up four Committees to carry out various functions, as entrusted, and give the suitable recommendations to the Board on significant matters, from time to time. Following are the details of the Committees as on 30th September, 2009:

Mandatory Committees:

a) Audit Committee.

b) Shareholders'/Investors' Grievance Committee.

Optional Committees:

a) Remuneration Committee.

b) Finance and General Affairs Committee.

The Composition, scope and details of all the aforesaid Committees are given as under:

1. AUDIT COMMITTEE:

1.1 Terms of reference and scope of the Committee:

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

a. Overall assessment of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b. Recommending the appointment of external auditor, fixation of 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, focusing primarily on:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
- Changes, if any, in accounting policies and practices.
- Major accounting entries based on exercise of judgment by management.
- Observations, if any, in the draft audit report.
- Significant changes/amendments, if any, arising out of audit.
- The going concern assumption.
- Compliance with accounting standards.
- Qualification in the draft audit report, if any.
- Compliance with stock exchange and legal requirements concerning financial statements.
- Any related party transactions i.e., transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large.

d. Review of quarterly unaudited financial results before submission to the Auditors and the Board.

e. Reviewing with the management, external and internal auditors the adequacy of internal control systems.

f. 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.

g. Discussion with internal auditors any significant findings and follow up there on.

h. Reviewing the findings, if any, of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

i. Discussion with external auditors before the audit commences on nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

j. Reviewing the Company's financial and risk management policies.

k. Assessing 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.

l. Financial Statements and Investments made by Subsidiaries.

m. To review the functioning of Whistle Blower Mechanism, if any.

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, and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor.

1.2 Composition as on 30th September, 2009:

The Committee comprises of Independent Directors and financially literate persons having vast experience in the area of finance and accounts. The Chairman of the Committee is a person with financial expertise. The Composition as on 30th September, 2009 was as under:

Name	Designation	Category
Mr. Satya Pal Talwar	Chairman	Independent
Maj. Gen. S. C. N. Jatar	Member	Independent
Mr. Radhey Shyam Agarwal	Member	Independent

During the financial year under review, the constitution of the Committee underwent certain changes, particulars of which are as set out hereunder:

Name	Appointment	Cessation
Mr. Arun L. Bongirwar	-	31st July, 2009
Mr. Radhey Shyam Agarwal	29th April, 2009	-
Mr. Karun Chandra Srivastava	31st January, 2009	31st July, 2009

1.3 Meetings and Attendance:

During the Financial year under review, five meetings of the Committee were held on the following dates: 27th October, 2008; 31st January, 2009; 26th February, 2009; 29th April, 2009; and 31st July, 2009.

Name	Meetings Attended+
Mr. Satya Pal Talwar	4
Mr. Arun L. Bongirwar	4
Maj. Gen. S. C. N. Jatar	3
Mr. Karun Chandra Srivastava	3
Mr. Radhey Shyam Agarwal	1

+ 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.

2. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

2.1 Scope of the Shareholders'/Investors' Grievance Committee:

The following are the terms of reference and matters that are referred to the Shareholders'/Investors' Grievance 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;
- Consolidation of Folios;
- Shareholders requests for Dematerialisation / Rematerialisation of shares; and
- Allotment of Equity Shares.

The Board has delegated the power of Share Transfer to Registrar & Share Transfer Agent, who process the transfers. The Committee also looks after redressal of investors' grievances and performance of the Registrar and Transfer Agent of the Company.

In addition to the above, the Committee closely monitors violations of the code of conduct for prevention of insider trading.

2.2 Composition as on 30th September, 2009:

Name	Designation	Category
Maj. Gen. S. C. N. Jatar	Chairman	Independent
Mr. S. Padmanabhan	Member	Independent
Mr. Karun Chandra Srivastava	Member	Independent

2.3 Meetings and attendance:

During the financial year ended on 30th September, 2009, five meetings of the Committee were held on the following dates: 27th October, 2008; 26th February, 2009; 03rd May, 2009; 01st June, 2009 and 05th August, 2009.

Name	Meetings Attended
Maj. Gen. S. C. N. Jatar	4
Mr. S. Padmanabhan	4
Mr. Karun Chandra Srivastava	4

2.4 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.

2.5 Share Transfer Details:

The number of Shares transferred during the year under review is given below:

Sr. No	Particulars	Equity
a)	Number of Transfers	974
b)	Average No. of Transfers per Month	81
c)	Number of Shares Transferred	2,69,208

2.6 Demat/Remat of Shares:

Sr. No	Particulars	Equity
a)	Number of Demat Transfers approved	2,900
b)	Number of Sub-committee Meetings held	50
c)	Number of Shares Dematerialised	2,94,877
d)	Percentage of Shares Dematerialised	0.13
e)	Number of Rematerialisation Requests Approved	3
f)	Number of Shares Rematerialised	24

2.7 Details of complaints received and redressed during the year 2008-09:

Sr. No.	Particulars	Received	Redressed	Pending as on 30.9.2009
1.	Non receipt of Refund Order	0	0	0
2.	Non receipt of Div/Int/ Redemption Warrants	272	272	0
3.	Non Receipt of Share Certificates	876	876	0
4.	Others	226	226	0
	TOTAL	1,374	1,374	0

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

3. REMUNERATION COMMITTEE:

3.1 Terms of reference and scope of Remuneration Committee:

- Fixing the remuneration payable to the Executive Directors;
- Determining the remuneration policy of the Company;
- Reviewing the performance of employees and their compensation;
- Recommend to the Board retirement benefits;
- Reviewing the performance of employees against specific key result areas identified as yardsticks for measuring performance; and
- Recommend the remuneration including the perquisite package of key management personnel.

3.2 Composition as on 30th September, 2009:

The composition of the Remuneration Committee of the Board of Directors as on 30th September, 2009 was as under:

Name	Designation	Category
Maj. Gen. S. C. N. Jatar	Chairman	Independent
Mr. Satya Pal Talwar	Member	Independent
Mr. Arun L. Bongirwar	Member	Independent

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

3.3 Meeting and Attendance:

During the Financial year under review, one meeting of the Committee was held on 29th April, 2009.

Name	Meetings Attended
Maj. Gen. S. C. N. Jatar	1
Mr. Satya Pal Talwar	1
Mr. Arun L. Bongirwar	1

3.4 Directors' Remuneration:

(a) The Promoter Directors, Executive Directors, Non Executive - Non Independent Directors, Nominees of AB Electrolux (Publ) and Thomson S.A. are not paid any sitting fees. Mr. V. N. Dhoot, Chairman and Managing Director and Mr. P. N. Dhoot, Whole Time Director of the Company are entitled for remuneration as per their terms of appointment. However, they have not drawn any remuneration during the year 2008-2009.

(b) The Independent Directors are paid only sitting fees for attending Board/Committee meetings. The details of payment of sitting fee during the year under review are as follows:

Name of the Director	Sitting Fees (Rs.)
Mr. S. Padmanabhan	2,10,000
Maj. Gen. S. C. N. Jatar	2,40,000
Mr. Satya Pal Talwar	2,70,000
Mr. Arun L. Bongirwar	2,10,000
Mr. Karun Chandra Srivastava	2,50,000
Mr. Ajay Saraf (Favouring: ICICI Bank Limited)	1,20,000
Dr. B. N Singh	1,20,000
Mr. R. S. Agarwal	1,20,000

3.5 Stock Options:

The Company has not issued any Stock Options.

4. FINANCE AND GENERAL AFFAIRS COMMITTEE:

4.1 Terms of reference and the powers and functions:

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.

4.2 Composition as on 30th September, 2009:

Name	Designation	Category
Mr. Venugopal N. Dhoot	Chairman	Promoter – Executive
Mr. Pradipkumar N. Dhoot	Member	Promoter – Executive
Mr. S. Padmanabhan	Member	Independent

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

4.3 Meeting and Attendance:

During the financial year, the Committee met six times on the following dates: 03rd January, 2009; 14th January, 2009; 23rd March, 2009; 01st June, 2009; 30th June, 2009 and 10th August, 2009.

Name	Meetings Attended
Mr. Venugopal N. Dhoot	5
Mr. Pradipkumar N. Dhoot	3
Mr. S. Padmanabhan	5

GENERAL BODY MEETING(S)

The last three Annual General Meetings of the company were held as under:

AGM	Date	Location	Time	Special Resolution Passed
18th	30.03.2007	Auto Cars Compound, Adalat Road, Aurangabad - 4301 005	9.30 A.M.	Nil
19th	31.03.2008	14 K. M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad - 431 105	9.30 A.M.	Nil
20th	30.03.2009	14 K. M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad - 431 105	12 Noon	Nil

2. Postal Ballot:

During the year under review, three 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, 1956 under which the resolution was passed	Nature of resolution
1.	Authorization to the Board of Directors to issue and allot 1,17,65,000 Warrants, on preferential basis, to Bennett, Coleman & Company Limited (BCCL), with an option to BCCL to subscribe to 1,17,65,000 equity shares of the Company within 18 months from the date of allotment.	Section 81 (1A)	Special
2.	Amendment to the existing Clause No. 6 of the Memorandum of Association of the Company i.e., the Object Incidental or Ancillary to the attainment of the Main Objects of the Memorandum of Association of the Company to incorporate therein enabling power to the Company to extend guarantees for various types of obligations, whether monetary or otherwise, on behalf of others.	Section 17	Special
3.	Authorization to the Board of Directors to mortgage and/or charge all or any part of the movable and/or immovable properties of the Company, wheresoever situate, both present and future and whole of the undertaking of the Company upto a sum not exceeding Rs. 20,000 Crores.	Section 293 (1) (a)	Ordinary

The Board had appointed Mr. Shashank Suvarnapathaki, Chartered Accountant in Whole-Time Practice, as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

Notice of Postal Ballot, together with Explanatory Statement in terms of the provisions of Section 173 (2) of the Companies Act, 1956, Postal Ballot Form and self-addressed envelope (postage to be paid by addressee) were dispatched to all the shareholders of the Company and all other persons entitled to receive the same.

The result of the voting is given below:

Particulars	Resolution 1	Resolution 2	Resolution 3
Total number of Postal Ballot Forms received	1,751	1,751	1,751
Number of shares	106,779,547	106,779,547	106,779,547
Percentage to total equity shares	46.54%	46.54%	46.54%
Number of invalid/rejected Postal Ballot Forms	293	293	293

Continued

Particulars	Resolution 1	Resolution 2	Resolution 3
Number of shares	42,933	42,933	42,933
Percentage to total Postal Ballot Forms received	16.73	16.73	16.73
Total number of valid Postal Ballot Forms received	1,458	1,458	1,458
Total number of shares	106,736,614	106,736,614	106,736,614
Percentage to total Postal Ballot Forms received	83.27	83.27	83.27
Total number of Postal Ballot Forms in favour	1,335	1,269	1,248
Total number of votes casted in favour	106,730,861	106,720,164	106,505,456
Percentage of shares to receipt	99.99	99.98	99.78
Total number of Postal Ballot Forms against	123	179	197
Total number of votes casted against	5,753	10,595	2,25,294
Percentage of shares to receipt	0.01	0.01	0.21

At present, the Company is not proposing to conduct any resolution through the postal ballot.

DISCLOSURES

a)	Materially significant related party transactions i.e. 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. 21 of Schedule 15B to the Accounts in the Annual Report.
b)	Non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.	Nil
c)	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.
d)	Details of Compliance with mandatory requirements and adoption of the non mandatory requirements of this clause.	The Company has: 1. constituted a Remuneration Committee, details of which are captured in the section Board Committees of this Report. 2. constituted Standing Committee under nomenclature 'Finance and General Affairs Committee Committee' 3. 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 accounting, auditing, internal controls or disclosure practices of the company. It gives 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. No personnel have been denied access to the Audit Committee.

MEANS OF COMMUNICATION

The Company regularly intimates its un-audited financial results (provisional) as well as audited financial results to the Stock Exchanges, as soon as the same are taken on record/approved. These financial results are published in The Hindu Business Line/The Financial Express and Navshakti/Gavakari, in Marathi. The results are not sent individually to the shareholders. The annual results are also made available on the Company's website.

In terms of the requirements of Clause 52 of the Listing Agreement with the Stock Exchanges in India, the un-audited financial results (provisional) as well as audited financial results are electronically submitted and displayed through Corporate Filing and Dissemination System viz., www.corpfiling.co.in.

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 SHAREHOLDERS' INFORMATION

Annual General Meeting:

The 21st Annual General Meeting of the Company will be held as per following schedule:	
Day	Tuesday
Date	30th March, 2010
Time	12.00 Noon
Venue	Registered Office of the Company at 14 KM Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad - 431 105 (Maharashtra).

Financial Calendar for 2009-10:

The financial calendar for the Financial Year 2009-10:

Financial Year	01st October, 2009 to 30th September, 2010
First Quarterly Results	On or before 31st January, 2010
Second Quarterly Results	On or before 30th April, 2010
Third Quarterly Results	On or before 31st July, 2010
Fourth Quarterly Results	On or before 31st October, 2010
Annual General Meeting for the Year Ending September 30, 2010	On or before 31st March, 2011

Dates of Book Closure:

The date of Book Closure for the purpose of Annual General Meeting and determining the shareholders' entitlement for dividend shall be intimated to the Stock Exchange on or before 10th March, 2010. Further, the Company shall also intimate details of the Book Closure, by way of publication in one English daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the company is situated. The date of Book Closure shall also be displayed on the website of the Company i.e. www.videoconworld.com.

Dividend Payment Date:

Dividend, if declared at the Annual General Meeting, is proposed to be paid on or around Saturday, 10th April, 2010.

The equity shares of your Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited, names and addresses of which are given below:

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

Global Depository Receipt of the Company are listed on:
Luxembourg Stock Exchange, 11, Avenue, de la, Porte Neuve L-2227, Luxembourg Web: www.bourse.lu/Accueil.jsp
Foreign Currency Convertible Bonds of the Company are listed on:
The Stock Exchange of Singapore, 2, Shanton Way, # 19-00, SGX Centre 1, Singapore-068804 Web: www.ses.com.sg

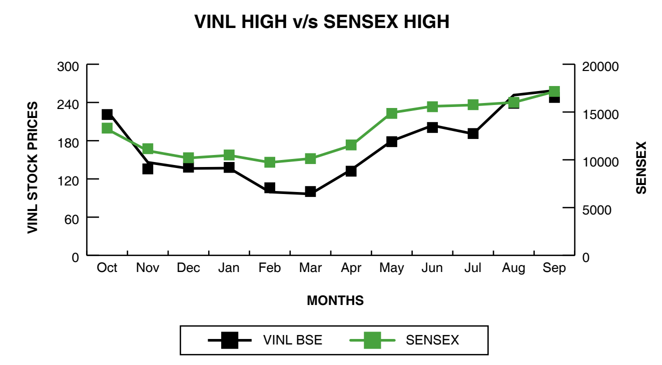
The Company has paid listing fees for the year 2009-10 to both the Stock Exchanges and custodial fees for the year 2009-10 to National Securities Depository Limited and Central Depositories Services (India) Limited.

Market Price Data:

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

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
October, 2008	227.00	95.00	228.00	94.00
November, 2008	146.00	95.00	146.50	94.90
December, 2008	136.40	86.05	136.25	87.00
January, 2009	136.95	88.00	136.90	88.50
February, 2009	99.40	84.75	99.40	85.00
March, 2009	96.40	82.00	99.00	81.00
April, 2009	134.30	87.60	134.40	87.50
May, 2009	179.70	109.90	179.80	106.50
June, 2009	203.90	161.20	204.00	161.20
July, 2009	190.75	142.25	191.00	142.20
August, 2009	251.50	177.00	251.65	178.00
September, 2009	258.80	226.70	259.00	226.75

A comparative chart showing Videocon Industries Limited High verses Bombay Stock Exchange High:



Registrar and Transfer Agent:

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

Share Transfer System:

Shares received for transfer by the Company or its Registrar and 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 to 20 days from the date of receipt.

Distribution of Shareholding:

Shareholding Pattern as on 30th September, 2009:

Category code	Category of Shareholder	Number of Shareholders	Total Number of Shares	Number of Shares in Demat Form	Total shareholding as a Percentage of total Number of Shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of Shares	As a percentage to total no of shares
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)*100
(A)	Share holding of Promoter and Promoter Group							
1	Indian							
(a)	Individuals / Hindu Undivided family	12	1,292,977	1,292,977	0.62	0.56	0	0.00
(b)	Central Govt./ State Govt.(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	36	156,980,903	156,835,415	75.81	68.43	86,145,887	54.88
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Other (firm)	1	41,420	-	0.02	0.02		0.00
	Sub - Total (A) (1)	49	158,315,300	158,128,392	76.45	69.01	86,145,887	54.41
(2)	Foreign							
(a)	Individuals (Non -Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-
	Sub - Total (A) (2)	-	-	-	0	0		0.00
	Total Share holding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	49	158,315,300	158,128,392	76.45	69.01	86,145,887	54.41
(B)	Public Share holding						NA	NA
(1)	Institutions						N A	N A
(a)	Mutual Funds / UTI	27	2,872,231	2,870,908	1.39	1.25		
(b)	Financial Institutions/Banks	35	398,521	385,494	0.19	0.17		
(c)	Central Govt./ State Govt.(s)	-	-	-	-	-		
(d)	Venture Capital Funds	-	-	-	-	-		
(e)	Insurance Companies	5	8,937,012	8,937,012	4.32	3.90		
(f)	Foreign Institutional Investors	80	10,491,843	9,730,647	5.07	4.57		

Category code	Category of Shareholder	Number of Shareholders	Total Number of Shares	Number of Shares in Demat Form	Total shareholding as a Percentage of total Number of Shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of Shares	As a percentage to total no of shares
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)*100
(g)	Foreign Venture Capital Investors	-	-	-	-	-		
(h)	Any Other(specify)	-	-	-	-	-		
	Sub - Total (B) (1)	147	22,699,607	21,924,061	10.96	9.89		
(2)	Non- Institutions						NA	NA
(a)	Bodies Corporate	3,260	12,292,040	10,743,949	5.94	5.36		
(b)	Individuals i.Indviduals Shareholders holding nominal share capital upto Rs. 1 Lakh	362,619	11,122,318	9,641,135	5.37	4.85		
	ii Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	73	2,648,226	2,648,226	1.28	1.15		
(c)	Any Other(specify)							
	Sub - Total (B) (2)	365,952	26,062,584	23,033,310	12.59	11.36		
	Total Public Share holding B= (B)(1)+(B)(2)	366,099	48,762,191	44,957,371	23.55	21.26	NA	NA
	TOTAL (A) + (B)	366,148	207,077,491	203,085,763	100.00	90.27	86,145,887	41.60
(C)	Shares held by Custodians and against which Depository Receipt have been issued	2	22,329,325	22,323,865	NA	9.73	NA	NA
	GRAND TOTAL (A)+(B)+(C)	366,150	229,406,816	225,409,628	NA	100.00	86,145,887	37.55

Distribution of Shareholding as on 30th September, 2009:

Shareholding of Nominal Value	Number of Share-holders	Percentage to the Total Share-holding	Number of Shares	Amount (in Rs.)	Percentage to Total Value of Share Capital
Up to 5,000	365,608	99.85	12,233,657	122,336,570	5.33
5,001 to 10,000	213	0.06	1,578,844	15,788,440	0.69
10,001 to 20,000	127	0.03	1,800,415	18,004,150	0.78
20,001 to 30,000	43	0.01	1,062,817	10,628,170	0.46
30,001 to 40,000	21	0.01	731,084	7,310,840	0.32
40,001 to 50,000	15	0.01	655,294	6,552,940	0.29
50,001 to 1,00,000	32	0.01	2,136,597	21,365,970	0.93
1,00,000 and above	91	0.02	209,208,108	2,092,081,080	91.20
Total	366,150	100.00	229,406,816	2,294,068,160	100.00

Dematerialization of Shares and Liquidity:

The Company's equity shares are under compulsory demat trading by all categories of investors. As on 30th September, 2009, 225,409,628 equity shares have been dematerialized which account for 98.25% of the total equity.

Outstanding GDRs/ ADRs/ Warrants or Conversion Instruments, Conversion date and likely impact on equity (30th September, 2009):

As on 30th September, 2009, 22,329,325 GDRs, each GDR representing one equity share of the Company, were outstanding.

During the year ended 30th September, 2009, no Foreign Currency Convertible Bonds (FCCB) were converted into equity shares. The details of outstanding FCCBs and their likely impact on the equity upon conversion are tabulated hereunder:

Sr. No.	Particulars	FCCB of US$ 90 Million (due on 07th March, 2011)	FCCB of US$ 105 Million (due on 25th July, 2011)
1	Principal Value of the FCCBs issued	US$ 90,000,000	US$ 105,000,000
2	Principal Value of FCCBs converted into equity this year (i.e. in the financial year 2008-09)	Nil	Nil
3	Underlying equity shares issued pursuant to conversion of FCCBs as referred S. No. 2	Nil	Nil
4	Principal Value of FCCBs outstanding at the end of the year i.e. as on 30th September 2009.	US$41,820,000	US$ 66,651,000
5	Underlying equity shares which may be issued upon conversion of FCCBs as referred in S. No. 4 hereinabove.	4,502,790	7,529,612

Warrants:

During the year under review, 1,17,65,000 warrants were allotted at a price of Rs. 42.50 per warrant, on preferential basis, to Bennett, Coleman & Company Limited with an option to subscribe to 1,17,65,000 equity shares at a price of Rs. 170.00 per equity share inclusive of a premium of Rs. 160.00 per equity share, within a period of 18 months from the date of allotment.

Plant Locations:

The Company has manufacturing facilities at the following locations:

1. 14 K.M. Stone, Aurangabad – Paithan Road,
   Village: Chittegaon, Taluka: Paithan,
   District: Aurangabad, Maharashtra
2. Village: Chavaj, Via Society Area,
   Taluka & District: Bharuch, Gujarat
3. Vigyan Nagar, RICO Industrial Area,
   Shahjanpur, District: Alwar, Rajasthan

Address for Correspondence:

Videocon Industries Limited
14 KM. Stone, Aurangabad – Paithan Road,
Village: Chittegaon, Taluka: Paithan,
District: Aurangabad - 431 105, Maharashtra
Tel: 02431 – 251501
Fax: 02431 – 251551
Email: secretarial@videoconmail.com

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

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

Bank Details:

Shareholders holding shares in physical form are requested to notify / send the following information to the Registrar and 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 digit).

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 their 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 Form 2B (in duplicate) as per the provisions of Section 109A of the Companies Act, 1956 to the Company' Registrar and Share Transfer Agent.

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 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 AND MANAGING DIRECTOR

CMD/CFO CERTIFICATION

We, 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) The Financial Statements and the Cash Flow Statements for the year have been reviewed and to the best of our knowledge and belief are true and present a true and fair view of the affairs of the Company.

b) To the best of our knowledge and belief, no transactions entered are fraudulent, illegal or violate the Company's Code of Conduct.

c) We accept the responsibility for establishing and maintaining internal controls, evaluate the effectiveness, disclosing the deficiencies to the Auditors and the Audit Committee and take steps or propose to take steps to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee:

   i) Significant changes in Internal Control processes during the year;

   ii) Significant changes in Accounting Policies; and

   iii) Instances of significant fraud of which we have become aware.

For VIDEOCON INDUSTRIES LIMITED

CHIEF FINANCIAL OFFICER   **CHAIRMAN AND MANAGING DIRECTOR**

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 year ended on 30th September, 2009, 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 condition of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
PARTNER
Membership No.104180

For KADAM & CO.
Chartered Accountants

U. S. KADAM
PARTNER
Membership No.31055

Place: Mumbai
Date : 27th February, 2010

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Board has pleasure in presenting the Management Discussion and Analysis Report prepared in adherence to the spirit enunciated in the code of Corporate Governance approved by the Securities and Exchange Board of India and in compliance with the provisions of the Listing Agreements.

Statements in this Report describing the Company's objectives, projections, estimates, expectations or 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.

This Management Discussion and Analysis Report comprises of the following:

- Industry Overview
- Opportunities and Threats
- Segment wise performance
- Outlook
- Risks and Concerns
- Internal Control Systems and their Adequacy
- Material Developments in Human Resources

INDUSTRY OVERVIEW

The Consumer Electronics Industry broadly comprises of Brown Goods, White Goods and Small Domestic Appliances, as detailed hereunder:

Brown Goods	Colour Televisions, LCD TVs, Plasma TVs, CD and DVD Players, Cam Corders ,Still Cameras, Video Game Consoles, HiFi and Home Cinema System, CRT, Telephones, Answering Machines etc.
White Goods	Airconditioners, Refrigerators, Washing Machine, Dish Washers, Drying Cabinets Microwave Ovens, Washing Machines,Freezers etc.
Small Domestic Appliances	Iron, Vaccum Cleaners, Water Purifiers, Mixer Grinders etc.

The Company having delivered reasonably stable performance in the shadow of economic slowdown, can look forward to a stronger performance as the economy puts slowdown behind, in the process also covering for any dip that might have showed up. The industry appears to have demonstrated some degree of resilience in face of economic slowdown during the second half of the fiscal. Emphasis has been given by manufacturers on improving efficiencies, consumer research, brand building, retail refurbishments, strengthening after sales service, and focus on high end products to maintain bottom line.

Technological innovations continue to be a priority area for manufacturers. Emphasis is on offering that go beyond fulfilling basic function.

The demand for LCD TVs has been growing at a rapid scale. The growing preference for LCD televisions in India mirrors the global trend that shows consumer trend is sharply moving towards LCD TVs. The refrigerator market estimated to grow at CAGR of 10%. In this category, the Frost-free segment is fast gaining mindspace with urban consumers. The Washing Machine market has witnessed a steady growth of around 11% over the last few years. The Air-Conditioner market has also been witnessing a phenomenal growth of around 19% in the past few years. With this trend expected to continue in this current year, players are going to be very bullish on this segment with new product and technology offers.

Companies in this Industry are focusing on customizing products to suit Indian tastes thereby carving a niche for them. Several companies are conducting market research in order to understand the psyche of an Indian Consumer. The inputs from this research are determining product attributes and pricing and accordingly, are achieving better acceptance among consumers.

However, while the Indian Consumer Electronics Industry is scaling new heights undettered by the global melt-down, looking ahead, it is believed that India will continue to grow as an important market for the global Consumer Electronics Industry. The future of India's Consumer Electronics Industry is, indeed, bright.

THE ALL NEW VIDEOCON

The Company enjoys a pre-eminent position in terms of sales and customer satisfaction in many of its consumer products like Colour Televisions, Washing Machines, Air Conditioners, Refrigerators, Microwave ovens and many other home appliances, selling them through a Multi-Brand strategy with the largest sales and service network in India. The Company recorded a resounding success in the Indian consumer electronics and appliances market

The Company's mission is to delight and deliver beyond expectation through ingenious strategy, intrepid entrepreneurship, improved technology, innovative products, insightful marketing and inspired thinking about the future. The mission is a reflection of continuity and change. The same has been crafted to envelope both extant and emerging realities.

The Company understands and fits in perfectly with consumers' lifestyle. The Company innovates products to bridge the gap between fantasy and reality. It has been generally noticed that technology is complicated and difficult to use, though it is meant to simplify life. This defeats the very purpose of development. Your Company combines state-of-the-art design, research and innovation to develop products that are simple and easy to use. Videocon has bestowed intelligence in its products to make consumers' life easy.

Colour Televisions

Television continues to be the mainstay of the Consumer Electronics Industry in India with the transition occurring to newer technologies such as LCD and PDP. Most players in the Industry have introduced products in the Flat Panel Display (FPD) segment, and for few companies, especially the Korean chaebols, FPD remains a focus area.

The markets are changing rapidly from the conventional CRT technology to flat panel display televisions. The LCD TV segment in India is poised for significant growth in the coming years. The LCD market is witnessing a consistent growth in sales. The LCD market is witnessing an increasing preference for full high definition TV with better image quality, audio clarity, and colour resolution. LCD TV Prices, having declined steadily over the last year, are likely to see a shift in trend.

The key growth drivers of CTV business in India are likely to be:

- Emergence of nuclear families.
- Upgradation of Televisions.
- Growth of entertainment and Media and the flurry of television channels and the rising penetration of cinemas are also the growth drivers.
- Growth of organized retail.
- Increase in disposable income with greater aspirations and demographics tilted towards younger customers.
- Electrification in rural India and increasing aspirations of people in rural India.

Refrigerators:

Refrigerators are one of the most standard features in Indian middle class homes. Direct cool segment remains the dominant sector. However, frost free segment is witnessing the highest growth in the category and is expected to take over direct cool sales in coming years.

Today, the consumers are willing to opt for higher end products resulting in the growth of frost free sales. Also, the sale of frost free segment is getting reinforced by the replacement purchases at urban and semi-urban areas. The rural penetration level continues to be low.

The catalysts which are likely to boost the refrigerator business in India are:

- Higher disposable income.
- Easy finance options.
- Emergence of nuclear family.
- Electrification in rural areas backed by strong aspirations.
- Growth of organized retail.

Air Conditioners:

India will continue its sustained growth in the air conditioners mainly on account of strong demand from consumers and corporate buyers. The air conditioner market in India has been expanding because of increased investments in high-end industries and introduction of more sophisticated industrial processes. New commercial users and existing users such as retail outlets, malls, hotels, restaurant, travel agencies have also contributed to the growth of air conditioner markets.

The growth drivers of Air Conditioners are:

- Increase in disposable incomes.
- Boom in the real estate and infrastructure industry.
- Easy finance options.
- Low penetrations.
- Electrification in rural areas backed by strong aspirations.
- Acceptance as an utility product rather than a luxury.

Washing Machines:

Washing machines market is expected to grow by 12-15 percent over the next three years. Network expansion in semi urban and rural areas has contributed to growth of semi automatic washing machines whereas metros and other A class towns have significantly moved towards the fully automatic segment.

Washing machines are now increasingly finding a place in Indian homes. The high-end segment comprises of fully automatic and front loaders and low-end segment comprises of semi automatic and top loaders.

The fully automatic category is showing a higher growth rate, but the semi automatic continues to dominate in terms of market share.

Key growth drivers of Washing Machines are:

- Increase in disposable incomes.
- Easy finance options.
- Low penetrations.
- Electrification in rural areas backed by strong aspirations.
- Acceptance as a utility product rather than a luxury.
- Diminishing price differential between the high-end and low-end ranges.

Microwave Ovens:

The Indian microwave oven market remained stagnant in 2008-09. With low stakes, the category did not witness significant expansion efforts by manufacturers during the economic slow down and also remained subdued on shopping priority.

The Indian microwave oven market consists of the grill and convection segments and the solo segment. The solo segment is slowly losing its popularity in urban and semi-urban cities but still has some demand in rural areas or smaller cities, due to low prices.

The convection segment continues to register the maximum growth. The higher growth of convection category is on account of growing consumer awareness of microwave oven as a cooking device. Further, in recent times, the convection category of microwave ovens has become more affordable.

Glass shells:

Videocon is one of the major players in the glass shell business in India. Glass Shells (glass panels and funnels), account for approximately 60 percent of CRT costs.

INDIAN OIL AND GAS INDUSTRY

India is today the 5th largest consumer of energy and imports close to 75% of its oil requirements. In the past few years, country's economy has witnessed a healthy 7% to 9% growth rate. To sustain this high growth, India needs substantial quantity of crude and natural gas.

With the formulation of NELP, the ministry's objective of increasing the pace of reserve accretion appears to be 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 favourable than those of PSUs. In November 2008, the Cabinet Committee on Economic Affairs awarded 44 oil and gas exploration blocks under the seventh round of auction of the New Exploration Licensing Policy (NELP-VII). In 2009, the Indian Ministry of Petroleum & Natural Gas (the "Ministry") launched the Eighth round of New Exploration Licensing Policy (*NELP-VIII*) offering 70 areas for bidding. The allocation brought in investments worth US$ 1.5 billion.

The oil and gas industry has been instrumental in fuelling the rapid growth of the Indian economy. This sector constitutes over 15 per cent 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.

Domestic Energy Demand

The Indian economy has grown at a rapid pace over the past 5 years leading to an increase in domestic energy consumption. However, the increase in demand for petroleum products in India has lagged behind the growth in GDP. During the 5-year period ended 31st March, 2009, the consumption of petroleum products has grown significantly from 107,751 thousand metric tons in fiscal 2004 to 133,599 thousand metric tons in fiscal 2009.

Over the past 5 years, domestic natural gas consumption has grown significantly. Crude oil demand is projected to increase significantly over the next decade. Rising global crude oil prices have triggered increased domestic exploration and production activity. Gas demand is also expected to rise significantly driven by greater industrialization, increase in need for power and other allied activities such as petrochemicals, fertilizers and city wide gas distribution and fuelled by Reliance's giant gas discovery in the KG Basin.

Domestic Oil and Natural Gas Production

Despite an increase in exploration activities, India continues to be a net importer of crude oil and natural gas. India is also a growing consumer of natural gas. A gap between consumption and production of natural gas has developed up during the last three years and India is increasingly becoming a net importer. An expansion in industrial activities, growing domestic demand and an expansion of power/ fertilizer and petrochemical plants have caused demand to significantly outstrip gas production.

Oil and Gas Segment of Videocon:

The principal oil and gas asset of Videocon is its 25% participating interest in the Ravva Oil and Gas Field. Besides this, it has acquired interests in other oil blocks in different geographical regions viz., Brazil, Mozambique, East Timor, Oman, Australia and Indonesia.

OPPORTUNITIES AND THREATS

OPPORTUNITIES

- Owing to the booming Indian economy, increased expenditures on infrastructure, emergence of India as a global IT major, 7% annual growth in GDP, rising foreign exchange reserves, booming capital market and a rapid rise in FDI inflows consumerism is all set to touch record levels in the coming years. Coupling this phenomenon with low penetration levels of durables in India and growing per-capita income, one would not find it difficult to conjecture a promising growth for the consumer durable industry.
- Booming entertainment sector and media has resulted in providing an impetus to the sector.
- There are huge opportunities for the Company to expand and grab the benefits of retailing.
- Increase in rural income and prosperity, enhanced standard of living, improved infrastructure have opened up the markets of rural places. While the urban market is growing annually by 7 – 10%, the rural market is zooming ahead at around 20%+ annually. According to a recently concluded survey by FICCI the urban market is primarily a replacement and up-gradation market now.
- There are opportunities to reduce cost of products by manufacturing components.
- There are opportunities to increase penetration by launching innovative products.
- 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 Market; Hyper Marts etc.

- The other 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.
- The increasing popularity of easily available consumer loans is being leveraged upon by the durable brands to give a moral-boost to the price sensitive consumers.
- There are opportunities to develop high end products.
- There is scope to identify additional oil and glass blocks, domestically and internationally, those are suitable for exploration and have potential for production.
- The Company plans to bid for the exploration of hydrocarbons blocks, which shall be open for bidding in future.

THREATS

- Rising input costs of raw materials viz. copper & steel – two of the 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.
- The focus of customers is shifting on energy efficient appliances and providing such appliances at a competitive price is a challenge.
- The margins are under pressure in view of increase in cost of marketing, advertising and after-sales.
- The interest rates continue to an area of concern at all times.
- There has been rapid increase in drilling costs.
- The availability of drilling rigs and other equipment and services may be affected by the level and location of drilling activity around the world. An increase in drilling operations worldwide may reduce the availability of equipment and service.

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, Accounting Standard 23 on Accounting for Investments in Associates in Consolidated Financial Statements and 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 uniform basis is as under:

(Rs. Millions)

Segment	**Year ended 30th September, 2009**	Year ended 30th September, 2008
Consumer Electronics & Home Appliances	**96,111.80**	103,294.52
Crude Oil and Natural Gas	**10,625.49**	19,076.00
Telecommunications	**-**	-
Total	**106,737.29**	122,370.52

OUTLOOK

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 Company, as a part of reducing manufacturing cost of products, has explored the possibility of manufacturing various components at the in-house facility by setting up standalone facilities.

The oil and gas industry is expected to continue to show phenomenal growth in the coming years. The Company shall continue to strengthen its portfolio in Oil and Gas.

RISKS AND CONCERNS

Risks associated with Consumer Electronics & Home Appliances Business:

- The consumer electronic products and home appliances business is highly competitive.
- There is a risk of assuming product liability, warranty and recall costs which may adversely affect results of operations and financial condition.
- The consumer electronic and home appliance business is seasonal in nature.
- There is a risk of reliance on distribution network for marketing, sale and distribution of its products and under-performance of distribution network may adversely affect Company's sales and results of operations.
- There is a risk of non-adjustability of product mix in line with market demand or keep pace with technological changes.

Risks associated with the Oil and Gas Business:

- There is a risk of not being successful when tendering for further exploration blocks.
- Pricing of oil and gas is subject to variation and depends on a number of factors beyond the Company's control.
- 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.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Internal Control Structure of your Company is adequately designed to ensure the effectiveness of its operations, propriety in the utilization of funds, safeguarding of assets against unauthorized use or disposition, true and fair reporting and compliance with all the applicable regulatory laws and company policies. Your Company has a well defined organization structure with state of the art ERP systems to connect its different business locations, dealers and vendors for real time information exchange and which provides for:

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

Clear and well defined policies governing limits on financial authority exist at each level of hierarchy. Review mechanism has been established whereby the management regularly reviews actual performance with reference to the plan and forecasts.

The Internal Audit function ensures adequacy of internal controls from operating, financial and statutory compliance point of view as well as adherence to management policies through a blend of process and transaction audits, on an ongoing basis. Internal checks and controls are exercised by strictly adhering to the various procedures laid at the time of delegation of authorities and other Procedures. The delegation clearly indicates the powers along with the monetary limits, wherever necessary, that can be exercised by various levels of the Managers in the Company.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Comparative Performance of Company on Stand-alone Basis is as set out hereunder:

Fixed Assets

The gross block of Company as on 30th September, 2009 was Rs. 103,191.05 million. The net block as on that date was Rs. 60,202.73 million. During the year, there were additions to the gross block of fixed assets to the extent of Rs. 9,769.92 million.

Sales

During the year under review, the Company achieved a gross sales of Rs. 93,812.69 million as against Rs. 101,051.28 million during the previous year ended on 30th September, 2008, representing a decline of 7.16% in gross sales as compared to previous year. Gross sales comprised of sales from Consumer Electronics and Home Appliances Segment to the extent of Rs. 83,187.20 million as against Rs. 81,975.28 million for the previous year, Oil and Gas Segment to the extent of Rs. 10,625.49 million as against Rs. 19,076.00 million for the previous year ended on 30th September, 2008. During the year ended 30th September, 2009, the Oil prices were substantially lower as compared to previous year. Further, the production of Oil and Gas during the year was lower compared to previous year.

Other Income

Other income for the year amounted to Rs. 340.15 million as against Rs. 288.22 million during the previous year ended on 30th September, 2008, representing an increase of 18.02% as compared to previous year. Other income comprises of income from investments and securities division, insurance claim received, interest and miscellaneous income.

Expenditure

Cost of Goods Consumed/Sold

Cost of Goods Consumed stood at Rs. 56,143.96 million as against Rs. 52,910.47 million during the previous year ended on 30th September, 2008.

Production and Exploration Expenses for Oil and Gas

During the year under review, the production and exploration expenses for oil and gas were Rs. 7,206.86 million as against Rs. 12,379.60 million during the previous year ended on 30th September, 2008 representing a decline of 41.78% as compared to previous year. The major reason being lower exploration expenses and lower share of Government in profit petroleum. This was due to lower crude oil sales realisation during the year.

Salaries, Wages and Employees' Benefits

During the year under review, the salaries, wages and employees' benefits stood at Rs. 1,264.23 million as against Rs. 1,158.18 million for the previous year ended on 30th September, 2008 representing a rise of 9.16% as compared to previous year.

Manufacturing and Other Expenses

During the year under review, the manufacturing and other expenses were Rs. 9,436.94 million as against Rs. 7,815.63 million for the previous year ended on 30th September, 2008 representing a rise of 20.74% as compared to previous year.

Interest and Finance Charges

For the year ended 30th September, 2009, Interest and Finance charges amounted to Rs. 6,363.61 million as against Rs. 4,011.03 million for the previous year ended on 30th September, 2008 thereby recording an increase of 58.65% compared to previous year. The increase is mainly on account of increase in total borrowings.

Depreciation

Net Depreciation (excluding depreciation on revalued assets) amounted to Rs. 5,771.52 million as against Rs. 6,602.07 million for the previous year ended on 30th September, 2008 thereby recording a decline of 12.58% as compared to previous year.

Profit Before Tax and Exceptional Item

As a result of the foregoing, the profit before tax and exceptional item was Rs. 5,783.44 million for the year ended 30th September, 2009 as against Rs. 12,947.78 million for the previous year ended on 30th September, 2008 thereby recording a decline of 55.33% in profit before tax and exceptional item.

During the year ended 30th September, 2009, the Oil prices were substantially lower as compared to previous year. Further, the production of Oil and Gas during the year was lower compared to previous year. Also in the Consumer Electronics & Home Appliances business, the margins were under pressure due to the overall dull sentiment in the beginning of the year.

Provision for Taxation

Provision for Taxation includes Provision for Current Tax, Deferred Tax and Fringe Benefit Tax. During the year under review, the Company has provided Rs. 881.20 million for Current Tax, Rs. 879.09 million for Deferred Tax and Rs. 16.53 million for Fringe Benefit Tax as against Rs. 1,350.00 million for Current Tax, Rs. 1,753.80 million for Deferred Tax and Rs. 22.93 million for Fringe Benefit Tax for the previous year ended on 30th September, 2008.

Net Profit

Net Profit of the Company has declined to Rs. 4,006.62 million from Rs. 8,542.95 million for the previous year ended 30th September, 2008, representing a 53.10% decline in Net profit.

MATERIAL DEVELOPMENTS ON HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED

The buzz of an organisation is its human assets. Your Company firmly believes that its people are its most precious asset and have been one of the major forces behind the rapid and successful growth of the organization. With this belief, the management has taken considerable steps in all areas of Human Resource to institutionalize and embed the appropriate systems and processes.

The Human Resources function of your Company has made a paradigm shift from an enabling function to a core and strategic business partner. Human Resources function shoulders this responsibility perfectly and plays a critical role in realizing business objectives by leading organizational change, fostering innovation and effectively mobilizing talent to sustain the organization's competitive edge. Your Company maintains a constructive relationship with its employees by creating a positive work environment with focus on improving productivity and efficiency. Investment in people processes and skill development is an on-going process in your Company.

The Company believes in building a performance driven organization characterised by Performance, Pride & Happiness. HR acting as a catalyst to achieve the goals by taking care of professional growth & aspiration of the people.

Discipline, Integrity & Creativity forms the three most important value pillars of the organization & inculcates the same in its internal & external customers and process. The New Logo promotes the idea "Experience Change" and its commitment to the environment through its ecologic drive. We ensure that we touch every vital aspect of human life.

The company is poised to take on the challenges with its workforce of more than 5,000 employees in the business environment & march towards achieving its mission with success

Industrial Relations remained cordial during the year under review.

AUDITORS' REPORT

To
The Members of
VIDEOCON INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of **VIDEOCON INDUSTRIES LIMITED**, as at 30th September, 2009, Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, on the basis of such checks as considered appropriate and according to the information and explanations given to us during the course of the audit, we give in the Annexure hereto a statement on the matters specified in Paragraphs 4 and 5 of the said Order.

4. Attention is invited to Note No. B-9 of Schedule 15 regarding incorporation of the Company's share in the operations of the joint ventures based on the statements received from the respective Operators. The Company has received the audited financial statements for the period upto 31st March, 2009 and un-audited financial statements for the period 1st April, 2009 to 30th September, 2009, in respect of the Joint Venture Ravva Oil & Gas Field and un-audited statements upto 30th September, 2009 in respect of other joint ventures on which we have placed reliance. We have also placed reliance on technical / commercial evaluation by the management in respect of allocation of development cost to producing properties depletion of producing properties, on the basis of proved remaining reserves and liability for abandonment costs.

5. Further to our comments in the Annexure referred to in paragraph 3 above, 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, Profit and Loss Account and the Cash Flow Statement dealt with by the 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, Profit and Loss Account, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   e) According to the information and explanations given to us and on the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956;

   f) In our opinion and to the best of our information and according to explanations given to us, the said financial statements, read together with the significant accounting policies, notes thereon and paragraph 4 above, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 30th September, 2009;

      (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

      (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No. 104180
Firm Registration No. 105049W

For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner
Membership No. 31055
Firm Registration No. 104524W

Place : Mumbai
Date : 15th February, 2010

ANNEXURE REFERRED TO THE AUDITORS' REPORT

Statement referred to in paragraph 3 of the Auditors' Report of even date to the Members of VIDEOCON INDUSTRIES LIMITED on the financial statements for the year ended 30th September, 2009.

(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 nature of its business.

(c) In our opinion, during the year the Company has not disposed off a substantial part of fixed assets.

(ii) (a) As per the information and explanations given to us, the inventories (excluding stock of crude oil lying at extraction site with the Operator) have been physically verified during the year 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 controls 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 Lakh, in respect of any party during the year, 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 made 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, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs-duty, Excise-duty, Cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as on 30th September, 2009 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 Sale-tax, Income-tax, Wealth-tax, Service-tax, Customs-duty, Excise-duty, Cess which have not been deposited on account of disputes, are given below:

Nature of Statute	Nature of Dues	Amount (Rs. in Million)	Forum where dispute is pending
1. Customs Act, 1962	Customs Duty	123.32	CESTAT
		18.31	Asst. Commissioner
		0.94	Commissioner (Appeal)
		0.57	Addl. Commissioner
		12.13	Supreme Court
	Customs Penalty	23.96	Commissioner
2. Central Excise Act, 1944	Excise Penalty	9.34	Commissioner (Appeals)
		8.20	CESTAT
	Service Tax and Education Cess	0.60	Asst. Commissioner
		15.99	Addl. Commissioner
		0.28	Deputy Commissioner
		3.33	CESTAT
		2.25	Joint Commissioner
	Excise Duty	0.86	Addl. Commissioner
		9.71	Asst. Commissioner
		77.48	CESTAT
		44.54	Commissioner
		8.56	Commissioner (Appeal)
		0.20	Dy. Commissioner
		3.82	High Court
3. Central Sales Tax Act, 1956 and Sales Tax Acts of various States	Sales Tax	1.31	Joint Commissioner (Appeal)
		75.58	Dy. Commissioner (Appeals)
		1.50	High Court
		17.56	Tribunal
		2.52	Sr. Asst. Commissioner
4. Income Tax Act, 1961	Income Tax	161.59	Dy. Commissioner
		82.00	Joint Commissioner
		90.59	Asst. Commissioner
		15.20	Appellate Tribunal

(x) There are no accumulated losses as at 30th September, 2009. The Company has not incurred any cash losses during the year covered by our audit and the immediately preceding financial year.

(xi) Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or to debenture holders during the year.

(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 year 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 year 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 year. The Company has created security in respect of debentures issued in earlier years.

(xx) During the year the Company has not raised any money by way of public issue.

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

For KHANDELWAL JAIN & CO.
Chartered Accountants
SHIVRATAN AGARWAL
Partner
Membership No. 104180
Firm Registration No. 105049W
Place : Mumbai
Date : 15th February, 2010

For KADAM & CO.
Chartered Accountants
U. S. KADAM
Partner
Membership No. 31055
Firm Registration No. 104524W

BALANCE SHEET AS AT 30TH SEPTEMBER, 2009

	Particulars	Schedule No.		As at 30th Sept., 2009 (Rs. in Million)	As at 30th Sept., 2008 (Rs. in Million)
I.	**SOURCES OF FUNDS**				
	1. Shareholders' Funds				
	a) Share Capital	1		2,754.16	2,753.11
	b) Reserves & Surplus	2		69,296.25	65,384.86
	2. Share Application Money Pending Allotment / Warrant Subscription			950.01	-
	3. Deferred Tax Liability (Net)			5,123.38	4,244.30
	4. Loan Funds				
	a) Secured Loans	3		67,350.37	44,012.54
	b) Unsecured Loans	4		23,495.10	36,043.40
	TOTAL			168,969.27	152,438.21
II.	**APPLICATION OF FUNDS**				
	1. Fixed Assets	5			
	a) Gross Block		103,191.05		102,373.03
	b) Less : Depreciation, Amortisation and Impairment		42,988.32		43,106.32
	c) Net Block			60,202.73	59,266.71
	2. Investments	6		30,648.99	26,955.88
	3. Current Assets, Loans and Advances	7			
	a) Inventories		17,634.93		15,688.64
	b) Sundry Debtors		17,081.13		15,828.89
	c) Cash and Bank Balances		4,985.06		3,882.84
	d) Other Current Assets		320.43		185.74
	e) Loans and Advances		47,935.04		39,932.46
			87,956.59		75,518.57
	Less : Current Liabilities and Provisions	8			
	a) Current Liabilities		8,537.12		7,783.24
	b) Provisions		1,301.92		1,519.71
			9,839.04		9,302.95
	Net Current Assets			78,117.55	66,215.62
	Significant Accounting Policies and Notes to Accounts	15			
	TOTAL			168,969.27	152,438.21

As per our report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No.104180

For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner
Membership No. 31055

Place : Mumbai
Date : 15th February, 2010

For and on behalf of the Board

V. N. DHOOT
Chairman and Managing Director

S. PADMANABHAN
Director

VINOD KUMAR BOHRA
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 30TH SEPTEMBER, 2009

	Particulars		Schedule No.	Year ended on 30th Sept., 2009 (Rs. in Million)	Year ended on 30th Sept., 2008 (Rs. in Million)
I.	**INCOME**				
	Sales / Income from Operations			**93,812.69**	101,051.28
	Less : Excise Duty			**2,182.28**	3,514.74
	Net Sales			**91,630.41**	97,536.54
	Other Income		9	**340.15**	288.22
		TOTAL		**91,970.56**	97,824.76
II.	**EXPENDITURE**				
	Cost of Goods Consumed/Sold		10	**56,143.96**	52,910.47
	Production and Exploration Expenses – Oil and Gas		11	**7,206.86**	12,379.60
	Salaries, Wages and Employees' Benefits		12	**1,264.23**	1,158.18
	Manufacturing and Other Expenses		13	**9,436.94**	7,815.63
	Interest and Finance Charges		14	**6,363.61**	4,011.03
	Depreciation, Amortisation and Impairment		5	**5,771.52**	7,137.22
	Less : Transferred from Revaluation Reserve			**-**	535.15
				5,771.52	6,602.07
		TOTAL		**86,187.12**	84,876.98
III.	**PROFIT BEFORE EXCEPTIONAL ITEMS AND TAXATION**			**5,783.44**	12,947.78
	Less : Exceptional Items			**-**	1,278.10
	Provision for Taxation				
	Current Tax			**881.20**	1,350.00
	Deferred Tax			**879.09**	1,753.80
	Fringe Benefit Tax			**16.53**	22.93
IV.	**PROFIT FOR THE YEAR**			**4,006.62**	8,542.95
	Add : Excess provision for Income Tax for earlier years written back			**736.82**	7.32
	Less : Short provision of Fringe Benefit Tax for earlier years			**-**	0.17
	Balance brought forward			**20,619.94**	14,516.42
V.	**BALANCE AVAILABLE FOR APPROPRIATION**			**25,363.38**	23,066.52
VI.	**APPROPRIATIONS**				
	Proposed Dividend – Equity			**462.53**	229.45
	Proposed Dividend – Preference			**36.81**	36.81
	Corporate Tax on Proposed Dividend			**84.86**	45.25
	Dividend and Dividend Tax Paid for Earlier Period			**-**	0.07
	Transfer to Debenture/Bonds Redemption Reserve			**1,340.74**	135.00
	Transfer to General Reserve			**1,000.00**	2,000.00
	Balance Carried to Balance Sheet			**22,438.44**	20,619.94
		TOTAL		**25,363.38**	23,066.52
	Basic Earnings per Share			**Rs. 20.49**	Rs. 37.44
	Diluted Earnings per Share			**Rs. 19.47**	Rs. 36.64
	(Nominal value per Share Rs. 10/-)				
	(Refer Note No. B-12 of Schedule No. 15)				
	Significant Accounting Policies and Notes to Accounts		15		

As per our report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No.104180

For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner
Membership No. 31055

For and on behalf of the Board

V. N. DHOOT
Chairman and Managing Director

S. PADMANABHAN
Director

VINOD KUMAR BOHRA
Company Secretary

Place : Mumbai
Date : 15th February, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 30TH SEPTEMBER, 2009

	Particulars		Year ended on 30th Sept, 2009 (Rs. in Million)	Year ended on 30th Sept, 2008 (Rs. in Million)
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net Profit before Tax and Exceptional Items		**5,783.44**	12,947.78
	a) Depreciation, Amortisation and Impairment		**5,771.52**	6,602.07
	b) Interest and Finance Charges		**6,363.61**	4,011.03
	c) Provision for Leave Encashment		**4.72**	2.19
	d) Provision for Warranty		**217.62**	20.46
	e) Provision for Gratuity		**17.90**	4.33
	f) Provision for Exchange Rate Fluctuation		**-**	(1,023.91)
	g) Diminution/(Written back) in value of Investments		**(53.15)**	640.16
	h) (Profit)/Loss on Sale of Fixed Asset		**99.60**	(66.37)
	i) Provision for Doubtful Debts		**39.68**	38.99
	j) Interest Received		**(264.74)**	(600.44)
	k) (Income)/Loss from Investments and Securities Division		**4.76**	(116.65)
	l) Exceptional Items		**-**	(1,278.10)
	Cash flow from Operating Activities before Working Capital changes		**17,984.96**	21,181.54
	Adjustments:			
	a) Inventories		**(1,946.29)**	(1,752.20)
	b) Sundry Debtors		**(1,291.92)**	(2,725.34)
	c) Other Current Assets		**(134.70)**	41.32
	d) Loans and Advances		**(7,957.85)**	(27,418.24)
	e) Current Liabilities		**756.21**	(153.91)
	Cash flow from Operating Activities		**7,410.41**	(10,826.84)
	Less : Income Tax Paid		**919.86**	1,084.35
	Less : Fringe Benefit Tax Paid		**16.50**	23.19
	Net Cash flow from Operating Activities	**(A)**	**6,474.05**	(11,934.38)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Proceeds from Sale of Fixed Assets		**3,203.99**	1,186.33
	Adjustment on Account of Producing Properties		**74.12**	550.20
	Interest Received		**264.74**	600.44
	Income/(Loss) from Investments and Securities Division		**(4.76)**	116.65
	(Increase) in Fixed Assets including Captial Work-in-progress		**(10,080.15)**	(13,623.72)
	(Increase) in Producing Properties		**(5.10)**	(1,255.67)
	(Purchase)/Sale of Investments (Net)		**16,708.89**	(6,518.24)
	(Increase)/Decrease in Investments in Subsidiaries (Net)		**(20,348.85)**	(152.83)
	Net Cash flow from Investing Activities	**(B)**	**(10,187.12)**	(19,096.84)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Increase in Equity Share Capital		**1.05**	83.57
	Share Application/Warrants Subscription Money Received		**950.01**	-
	Securities Premium Received		**11.90**	3,770.85
	Forfeited Shares		**2.72**	-
	Increase/(Decrease) in Secured Term Loans from Banks		**22,389.12**	12,492.00
	Increase/(Decrease) in Working Capital Loan from Banks		**1,702.45**	(806.49)
	Increase/(Decrease) in Unsecured Loans		**(12,810.77)**	16,587.05
	Redemption of Secured Non Convertible Debentures		**(753.74)**	(1,107.96)
	Payment of Dividend		**(268.59)**	(842.21)
	Corporate Tax on Dividend		**(45.25)**	(142.80)
	Interest and Finance Charges Paid		**(6,363.61)**	(4,011.03)
	Net Cash flow from Financing Activities	**(C)**	**4,815.29**	26,022.98
	Net Change in Cash and Cash Equivalents (A + B + C)		**1,102.22**	(5,008.24)
	Opening Balance of Cash and Cash Equivalents		**3,882.84**	8,891.08
	Closing Balance of Cash and Cash Equivalents		**4,985.06**	3,882.84

As per our report of even date

For and on behalf of the Board

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No.104180

For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner
Membership No. 31055

V. N. DHOOT
Chairman and Managing Director

S. PADMANABHAN
Director

VINOD KUMAR BOHRA
Company Secretary

Place : Mumbai
Date : 15th February, 2010

SCHEDULES TO BALANCE SHEET

		As at 30th Sept., 2009 (Rs. in Million)	As at 30th Sept., 2008 (Rs. in Million)
SCHEDULE 1: SHARE CAPITAL			
Authorised:			
500,000,000 (Previous year 500,000,000) Equity Shares of Rs. 10/- each		**5,000.00**	5,000.00
10,000,000 (Previous year 10,000,000) Redeemable Preference Shares of Rs. 100/- each.		**1,000.00**	1,000.00
		6,000.00	6,000.00
Issued, Subscribed and Paid-up :			
Equity Shares :			
229,406,816 (Previous year 229,450,764) Equity Shares of Rs. 10/- each fully paid up.		**2,294.07**	2,294.51
Of the above :			
a) 95,078 (Previous year 95,078) Equity Shares of Rs.10/- each have been issued on conversion of 20% Unsecured Optionally Convertible Debentures.			
b) 156,394,378 (Previous year 156,438,326) Equity Shares of Rs.10/- each were allotted pursuant to amalgamations without payments being received in cash.			
c) 45,777,345 (Previous year 45,777,345) Equity Shares of Rs.10/- each were issued by way of Euro issues represented by Global Depository Receipts (GDR) at a price of US$ 10.00 per share (inclusive of premium).			
d) 8,464,515 (Previous year 8,464,515) Equity Shares of Rs.10/- each have been issued on conversion of 86,529 Foreign Currency Convertible Bonds of US$ 1000 each (inclusive of premium).			
Less : Calls in Arrears - by others		**-**	1.49
	(A)	**2,294.07**	2,293.02
Preference Shares:			
a) 4,523,990 (Previous year 4,523,990) 8% Cumulative Redeemable Preference Shares of Rs.100/- each fully paid up, redeemable at par in 3 equal installments on 1st October, 2011, 1st October, 2012 and 1st October, 2013.		**452.40**	452.40
b) 76,870 (Previous year 76,870) 8% Cumulative Redeemable Preference Shares of Rs.100/- each fully paid up, redeemable at par in 3 equal installments on 1st February, 2012, 1st February, 2013 and 1st February, 2014.		**7.69**	7.69
	(B)	**460.09**	460.09
	TOTAL (A + B)	**2,754.16**	2,753.11
SCHEDULE 2: RESERVES & SURPLUS			
Revaluation Reserve			
As per last Balance Sheet		**-**	535.15
Less : Transferred to Profit and Loss Account		**-**	535.15
	(A)	**-**	-
Capital Redemption Reserve			
As per last Balance Sheet		**537.50**	537.50
	(B)	**537.50**	537.50
Capital Subsidy			
As per last Balance Sheet		**5.50**	5.50
	(C)	**5.50**	5.50
Securities Premium Account			
As per last Balance Sheet		**29,088.31**	25,523.96
Add : Addition on conversion of FCCBs		**-**	3,770.85
Less : Premium Payable on Redemption of Convertible Bonds		**262.47**	206.50
Less: Reversal of Premium on Shares Forfeited		**5.00**	-
		28,820.84	29,088.31
Less : Call and/or allotment money in arrears - by others		**-**	16.90
	(D)	**28,820.84**	29,071.41
Debenture/Bonds Redemption Reserve			
As per last Balance Sheet		**1,947.50**	1,812.50
Add : Transferred from Profit and Loss Account		**1,340.74**	135.00
	(E)	**3,288.24**	1,947.50
Capital Reserve			
As per last Balance Sheet		**1.53**	1.53
Add : On forfeiture of shares		**2.72**	-
	(F)	**4.25**	1.53
General Reserve			
As per last Balance Sheet		**13,201.48**	11,198.61
Add : On account of transitional provisions under Accounting Standard 15		**-**	2.87
Add : Transferred from Profit and Loss Account		**1,000.00**	2,000.00
	(G)	**14,201.48**	13,201.48
Profit and Loss Account			
As per Account annexed		**22,438.44**	20,619.94
	(H)	**22,438.44**	20,619.94
	TOTAL (A to H)	**69,296.25**	65,384.86
SCHEDULE 3: SECURED LOANS			
A. Non Convertible Debentures		**494.54**	1,248.28
B. Term Loans			
i. Rupee Loans from Banks and Financial Institutions		**58,789.97**	36,021.98
ii. FCNR-B Loan from Banks		**363.67**	389.63
C. External Commercial Borrowings		**4,076.33**	4,448.08
D. Corporate Loan from Banks		**-**	1.97
E. Vehicle Loans from Banks		**41.66**	20.85
F Working Capital Loans From Banks		**3,584.20**	1,881.75
	TOTAL	**67,350.37**	44,012.54

A. Non Convertible Debentures

Out of the Non Convertible Debentures, those to the extent of :

i) Rs. 195.18 million (Previous year Rs. 404.45 million) are secured by assignment of/fixed and floating charge on all moneys received/to be received by the Company in relation to and from the Ravva Joint Venture, including all receivables of the Ravva Oil and Gas field, subject to the charge in favour of the Joint Ventures in terms of the Production Sharing Contract/ Joint Operating Agreement in respect of Ravva Joint Venture, to the extent necessary.

ii) Rs.194.36 million (Previous year Rs. 302.33 million) are secured by first charge on immovable and movable properties, both present and future, subject to prior charge on specified movables created/to be created in favour of Company's Bankers for securing borrowings for working capital requirements, and ranking pari passu with the charge created/to be created in favour of Financial Institutions/Banks in respect of their existing and future financial assistance. Also guaranteed by Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

iii) Rs.105.00 million (Previous year Rs. 480.00 million) are secured by unconditional and irrevocable guarantee given by IDBI (for principal and interest). The said guarantee assistance, provided by IDBI, is secured by a first charge in favour of the guarantor, of all the immovable properties, both present & future, and a first charge by way of hypothecation of all the movables, present & future, ranking *pari-passu* with existing charge holders, subject to charges created / to be created in favour of the Bankers on the specified current assets for securing borrowings for working capital loans. These debentures are also secured by personal guarantee of Mr. Venugopal N. Dhoot.

The Debentures referred to above are redeemable at par, in one or more installments on various dates with the earliest redemption being on 15th October, 2009 and last date being 1st January, 2012. These debentures are redeemable as follows: Rs. 364.97 million in financial year 2009-10, Rs. 86.38 million in financial year 2010-11 and Rs. 43.19 million in financial year 2011-12.

B. Term Loans

The Term Loans are secured by mortgage of existing and future assets of the Company and a floating charge on all movable assets, present and future except book debts, subject to prior charge of the Bankers on stock of raw materials, finished, semi-finished goods and other movables, for securing working capital loans in the ordinary course of business, and exclusive charge created on specific items of machinery financed by the respective lenders. The above charges rank *pari passu* inter-se for all intents and purposes. The above loans are guaranteed by Mr. Venugopal N. Dhoot and Mr. Pradipkumar

SCHEDULES TO BALANCE SHEET (Continued)

N. Dhoot. A part of loans from banks are secured by the assignment of fixed and floating charge on all moneys received/to be received by the Company in relation to and from the Ravva Joint Venture, including all receivables of the Ravva Oil and Gas field, subject to the extent necessary, to the charge in favour of the Joint Ventures in terms of the Production Sharing Contract/Joint Operating Agreement in respect of Ravva Joint Venture; and the assignment/ fixed and floating charge of all the right, title and interest into and under all project documents, including but not limited to all contracts, agreements or arrangements which the Company is a part to, and all leases, licenses, consents, approvals related to the Ravva Joint Venture, insurance policies in the name of the Company, in a form and manner satisfactory to Trustee.

C. **External Commercial Borrowings**

External Commercial Borrowings are secured by a first charge ranking *pari passu* over all the present and future movable and immovable fixed assets. The loan is further secured by personal guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

D. **Vehicle Loans from Banks**

Vehicle Loans 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.

E. **Working Capital Loans from Banks**

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 only and all other current assets of the Company and personal guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

		As at 30th Sept., 2009 (Rs. in Million)	As at 30th Sept., 2008 (Rs. in Million)
SCHEDULE 4: UNSECURED LOANS			
A.	From Banks and Financial Institutions		
	i) Rupee Loan	**17,267.00**	30,093.70
	ii) Foreign Currency Loan	**62.43**	155.83
B.	Foreign Currency Convertible Bonds	**5,257.59**	5,132.85
C.	Premium Payable on Redemption on Foreign Currency Convertible Bonds	**824.59**	562.12
D.	Sales Tax Deferral	**83.49**	98.90
	TOTAL	**23,495.10**	36,043.40

Note:

The Company has availed interest free Sales Tax Deferral under Special Incentive to Prestigious Unit (Modified) Scheme. Out of total outstanding, Rs. 62.23 million is repayable in four equal annual installments commencing from 30th May, 2010, Rs. 8.78 million is repayable in twelve monthly installments commencing from 20th October, 2009 and Rs. 12.48 million in twelve monthly installments commencing from 20th October, 2010.

SCHEDULE 5: FIXED ASSETS

(Rs. in Million)

PARTICULARS	GROSS BLOCK As at 30.09.2008	Additions During the Year	Deduction During the Year	As at 30.09.2009	DEPRECIATION / AMORTISATION / IMPAIRMENT Upto 30.09.2008	For the Year	Deduction/ Adjustment	Impairment	Upto 30.09.2009	NET BLOCK As at 30.09.2009	As at 30.09.2008
TANGIBLE ASSETS											
Freehold Land	144.16	0.72	-	**144.88**	-	-	-	-	**-**	**144.88**	144.16
Leasehold Land	48.05	-	-	**48.05**	8.45	0.77	-	-	**9.22**	**38.83**	39.60
Building	6,435.77	3.73	35.09	**6,404.41**	1,669.93	187.19	2.86	-	**1,854.26**	**4,550.15**	4,765.84
Leasehold Improvements	39.33	-	-	**39.33**	38.75	0.40	-	-	**39.15**	**0.18**	0.58
Plant and Machinery *	78,676.24	9,627.56	8,660.18	**79,643.62**	35,385.42	4,714.10	5,418.86	449.45	**35,130.11**	**44,513.51**	43,290.82
Furnace	1,995.27	-	-	**1,995.27**	1,676.53	126.77	-	-	**1,803.30**	**191.97**	318.74
Electrical Installation	153.10	1.76	4.02	**150.84**	80.48	8.31	0.79	-	**88.00**	**62.84**	72.62
Office Equipments	289.91	12.31	1.03	**301.19**	177.05	9.67	0.57	-	**186.15**	**115.04**	112.86
Computer Systems	421.17	14.44	213.39	**222.22**	329.13	33.73	202.10	-	**160.76**	**61.46**	92.04
Furniture and Fixtures	168.46	39.02	9.87	**197.61**	105.47	16.77	3.38	-	**118.86**	**78.75**	62.99
Vehicles	685.52	61.77	27.28	**720.01**	347.30	56.71	18.71	-	**385.30**	**334.71**	338.22
LEASED ASSETS											
Computer Systems	6.27	-	6.27	**-**	6.27	-	6.27	-	**-**	**-**	-
INTANGIBLE ASSETS									**-**		
Goodwill (on amalgamation)	235.98	-	235.98	**-**	235.98	-	235.98	-	**-**	**-**	-
Computer Software	178.59	3.51	-	**182.10**	82.78	35.02	-	-	**117.80**	**64.30**	95.81
SUB-TOTAL	89,477.82	9,764.82	9,193.11	**90,049.53**	40,143.54	5,189.44	5,889.52	449.45	**39,892.91**	**50,156.62**	49,334.28
Producing Properties	3,780.48	5.10	74.12**	**3,711.46**	2,962.78	132.63	-	-	**3,095.41**	**616.05**	817.70
Capital Work-in-Progress	9,114.73	-	-	**9,430.06**	-	-	-	-	**-**	**9,430.06**	9,114.73
TOTAL	102,373.03	9,769.92	9,267.23	**103,191.05**	43,106.32	5,322.07	5,889.52	449.45	**42,988.32**	**60,202.73**	59,266.71
As at 30th September, 2008	80,831.63	9,988.19	1,342.00	**89,477.82**	33,766.67	5,600.01	222.04	998.90	**40,143.54**	**49,334.28**	
Producing Properties	2,524.82	1,255.67	-	**3,780.48**	1,874.27	538.31	(550.20)	-	**2,962.78**	**817.70**	
Capital Work-in-Progress	5,479.20	-	-	**9,114.73**	-	-	-	-	**-**	**9,114.73**	
Total as at 30th September, 2008	88,835.65	11,243.86	1,342.00	**102,373.03**	35,640.94	6,138.32	(328.16)	998.90	**43,106.32**	**59,266.71**	-

*Gross Block of Plant and Machinery includes the amount added on revaluation on 01.04.1998 and 01.10.2002.

**Adjustment on account of drilling costs reversed by the Operator

SCHEDULES TO BALANCE SHEET (Continued)

	Face Value	As at 30th Sept., 2009		As at 30th Sept., 2008	
		Nos.	Rs. in Million	Nos.	Rs. in Million
SCHEDULE 6: INVESTMENTS					
LONG TERM INVESTMENTS					
QUOTED					
IN EQUITY SHARES (Fully Paid up) - TRADE					
Trend Electronics Ltd.	10	**1,408,800**	**25.41**	1,408,800	25.41
Value Industries Ltd.	10	**1,811,748**	**38.14**	1,811,748	31.07
Samtel Electronics Devices Ltd.	10	**82,000**	**1.49**	82,000	0.89
			65.04		57.37
IN EQUITY SHARES (Fully Paid up) - OTHERS					
AIA Engineering Ltd.	2	-	-	1,000	1.35
Allahabad Bank	10	-	-	153,000	7.10
Alok industries Ltd.	10	-	-	2,500	0.07
Anant Raj Industries Ltd.	10	-	-	5,000	0.57
Asian Electronics Ltd.	5	**40,000**	**1.92**	42,000	1.11
Asian Granito India Ltd.	10	-	-	100,000	3.09
Assam Company Ltd.	1	**10,000**	**0.21**	10,000	0.25
BF Utilities Ltd.	5	-	-	36,985	46.84
Cairn India Ltd.	10	-	-	6,372,976	1,019.68
Central Bank of India	10	-	-	120,284	5.88
Chennai Petroleum Corporation Ltd.	10	-	-	20,000	4.25
City Union Bank Ltd.	1	-	-	2,000	0.05
Development Credit Bank Ltd.	10	-	-	3,000	0.11
Deccan Cements Ltd.	10	-	-	189,400	17.99
Dhanalakshmi Bank Ltd.	10	-	-	2,000	0.13
Dhoot Indistrial Finance Ltd.	10	**4,800**	**0.05**	4,800	0.06
Edelweiss Capital Ltd.	5	-	-	7,757	3.22
EIH Ltd.	2	-	-	8,617	1.11
Essar Oil Ltd.	10	-	-	1,000	0.16
Expo Gas Containers Ltd.	4	**7,600**	**0.05**	-	-
Fame India Ltd.	10	-	-	600,000	15.00
Firstsource Solutions Ltd.	10	-	-	5,000	0.22
Gemini Communication Ltd.	5	-	-	175,000	4.25
Geojit BNP Paribas Financial Services Ltd.	1	-	-	1,500	0.05
Greaves Cotton Ltd.	10	-	-	17,346	2.48
GTL Infrastructure Ltd.	10	**1,900**	**0.08**	502,000	17.90
Gujarat Heavy Chemicals Ltd.	10	-	-	255,494	14.58
Gujarat Industries Power Company Ltd.	10	-	-	375,000	22.35
Gujarat Mineral Development Corporation Ltd.	2	-	-	500	0.07
Gujarat NRE Coke Ltd.	10	-	-	3,000	0.18
Hindalco Industries Ltd.	1	-	-	45,000	4.40
Hindustan Adhesives Ltd.	10	**13,900**	**0.08**	-	-
Hindustan Oil Exploration Company Ltd.	10	-	-	13,000	1.24
Hindustan Zinc Ltd.	10	-	-	500	0.21
ICICI Bank Ltd.	10	-	-	9,593	5.13
I-Flex Solutions Ltd.	5	-	-	1,000	0.77
India Glycols Ltd.	10	-	-	1,000	0.16
India Steel Works Ltd.	10	**1,300**	**0.00**	-	-
Indiabulls Securities Ltd.	2	-	-	195,500	7.02
Indusind Bank Ltd.	10	-	-	75,000	4.16
IFCI Ltd.	10	**41,800**	**2.36**	341,800	12.54
Intense Technologies Ltd.	10	-	-	5,000	0.06
IOL Netcom Ltd.	10	-	-	12,500	0.91
ITC Ltd.	1	-	-	100,000	19.00
Jai Corp Ltd.	1	-	-	22,122	5.37
Jayaswal Neco Industries Ltd.	10	**289,450**	**7.21**	210,000	4.74
Jindal South West Holdings Ltd.	10	-	-	2,643	1.18
KPIT Cummins Infosystems Ltd.	10	-	-	40,000	1.39
Larsen & Toubro Ltd.	2	-	-	1,500	3.66
Lok Housing & Constructions Ltd.	10	-	-	25	0.00
Lumax Industries Ltd.	10	**7,000**	**1.30**	20,385	2.44
Max India Ltd.	2	-	-	10	0.00
Mercator Lines Ltd.	2	-	-	50,000	5.66
Mold-Tek Technologies Ltd.	10	**1,800**	**0.14**	-	-
NTPC Ltd.	10	-	-	100,000	13.53
Neyveli Lignite Corporation Ltd.	10	-	-	2,000	0.17
Oil and Natural Gas Corporation Ltd.	10	-	-	27,500	28.47
Om Metals Infraprojects Ltd.	1	-	-	5,000	0.09

SCHEDULES TO BALANCE SHEET (Continued)

	Face Value	As at 30th Sept., 2009		As at 30th Sept., 2008	
		Nos.	Rs. in Million	Nos.	Rs. in Million
SCHEDULE 6: INVESTMENTS (Continued)					
Power Grid Corporation of India Ltd.	10	-	-	100,000	8.58
Punj Lloyd Ltd.	2	-	-	57,500	16.54
Ranbaxy Laboratories Ltd.	5	-	-	1,000	0.48
Rashtriya Chemicals & Fertilizers Ltd.	10	-	-	50,000	2.49
Reliance Power Ltd.	10	-	-	28,700	4.40
Reliance Commnunications Ltd.	5	-	-	4,000	1.34
Reliance Infrastructure Ltd.	10	-	-	1,000	0.79
Reliance Industrial Infrastructure Ltd.	10	-	-	10,000	4.05
Reliance Industries Ltd.	10	-	-	4,000	7.79
Reliance Petroleum Ltd.	10	-	-	240,310	33.65
Sasken Communication Technologies Ltd.	10	-	-	5,000	0.58
Selan Exploration Technology Ltd.	10	-	-	990	0.20
Sesa Goa Ltd.	1	-	-	100,000	11.91
Shree Ram Urban Infrastructure Ltd.	10	-	-	85,000	7.65
Siemens Ltd.	2	**3,130**	**0.13**	3,130	0.13
Spicejet Ltd.	10	-	-	150,000	3.30
Sri Lakshmi Saraswathi Textiles (Arni) Ltd.	10	**8,700**	**0.11**	-	-
Sterling Biotech Ltd.	1	-	-	5,000	0.86
Sterling Holiday Resorts (India) Ltd.	10	-	-	100,000	2.11
Sujana Metal Products Ltd.	5	-	-	100,000	1.42
Swan Mills Ltd.	2	-	-	905,000	45.70
Tata Consultancy Services Ltd.	1	-	-	15,000	9.94
Tata Elxsi Ltd.	10	-	-	2,429	0.31
Tata Steel Ltd.	10	-	-	2,500	1.46
Twilight Litaka Pharma Ltd.	5	-	-	2,000	0.10
United Breweries (Holdings) Ltd.	10	-	-	10,000	2.27
United Phosphorus Ltd.	2	-	-	500	0.15
Wire & Wireless India Ltd.	1	-	-	10,000	0.17
Yes Bank Ltd.	10	**3,775**	**0.69**	3,775	0.46
Zandu Pharmaceutical Works Ltd.	100	-	-	10,442	159.32
			14.32		1,640.52
IN MUTUAL FUNDS UNITS					
BOI Units	10	-	-	1,000,000	10.00
			-		10.00
UNQUOTED					
1. IN EQUITY SHARES (Fully Paid up) – TRADE					
Pacific Appliances Manufacturing and Trading Ltd.	10	-	-	9,500	0.10
Akai Consumer Electronics India Ltd.	10	**35,000**	**0.35**	35,000	0.35
Applicomp (India) Ltd.	10	**17,023,500**	**170.24**	17,023,500	170.24
Eagle Corporation Ltd.	US$ 1	**1,000**	**0.05**	1,000	0.05
Hyundai Electronics India Ltd.	10	**9,500**	**0.10**	9,500	0.10
Indian Refrigerator Co. Ltd.	10	**1,990,000**	**19.90**	1,990,000	19.90
Jupitor Corporation INC	US$ 1	**190**	**0.01**	190	0.01
Kentosh Electronics India Pvt. Ltd.	10	**1,720**	**0.02**	1,720	0.02
KAIL Ltd.	10	**1,521,000**	**111.26**	1,156,000	18.27
Lexus Infotech Ltd.	10	**500,000**	**50.00**	-	-
Millennium Appliances India Ltd.	10	**4,750,000**	**95.00**	4,750,000	95.00
Next Retail India Ltd.	10	**21,036,000**	**650.36**	10,036,000	100.36
P T Videocon Indonesia	US$ 50	**475**	**0.94**	475	0.94
Plugin Sales Ltd.	100	**1,900**	**0.19**	1,900	0.19
Sapphire Overseas Inc.	US$ 1	**1,900**	**0.08**	1,900	0.08
Techno Electronics Ltd.	10	**20,117,647**	**201.18**	20,117,647	201.18
TekCare India Pvt. Ltd.	10	**1,900**	**0.02**	1,900	0.02
VCIL Netherlands B.V.	Euro 1	**34**	**0.13**	34	0.13
Videocon (Cayman) Ltd.	US$ 1	**579,500**	**28.35**	579,500	28.35
Videocon Realty and Infrastructures Ltd.	10	**8,125**	**0.83**	7,650	0.45
Yash - V - Jewels Ltd.	10	**500,000**	**50.00**	-	-
			1,379.00		635.72
2. IN EQUITY SHARES (Fully Paid up) – OTHERS					
Bolton Properties Limited	10	**112,500**	**13.66**	112,500	13.66
Deve Sugars Ltd.	10	**125,000**	**0.13**	125,000	0.13
Digital Display Devices S.p.A.	Euro 1	**36,000**	**1.96**	36,000	1.96
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 Ltd.	10	**80,000**	**0.08**	80,000	0.08
Goa Energy Pvt. Ltd.	10	**2,600**	**0.03**	1,000	0.01

SCHEDULES TO BALANCE SHEET (Continued)

	Face Value	As at 30th Sept., 2009 Nos.	Rs. in Million	As at 30th Sept., 2008 Nos.	Rs. in Million
SCHEDULE 6: INVESTMENTS (Continued)					
Good Value Marketing Company Ltd.	10	**25,000**	**0.03**	25,000	0.03
Holzmann Videocon Engineers Limited	10	**990,600**	**-**	990,600	-
Kay Kay Construction Limited	10	**4,500**	**0.90**	4,500	0.90
Kores India Ltd.	10	**1,170,000**	**1.17**	1,170,000	1.17
Mold-Tek Technologies Ltd.	10	**-**	**-**	2,500	0.21
Quadrant Corporation Inc.	US$ 1	**190**	**0.01**	-	-
Sahyadri Consumer Electronics (I) Pvt. Ltd.	10	**1,900**	**0.02**	1,900	0.02
Siris Ltd.	10	**13,200**	**0.01**	13,200	0.01
The Banaras State Bank Ltd.	100	**25,000**	**0.03**	25,000	0.03
Trinity Infratech Pvt. Ltd.	10	**500,000**	**80.00**	500,000	80.00
Videocon (Mauritius) Infrastructure Ventures Ltd.	US$ 1	**100,700**	**4.29**	-	-
Videocon Realty Private Limited	10	**2,500**	**0.03**	2,500	0.03
Videocon SEZ Infrastructures (Aurangabad) Private Limited	10	**2,500**	**0.03**	2,500	0.03
Videocon SEZ Infrastructures (Pune) Private Limited	10	**2,500**	**0.03**	2,500	0.03
Videocon SEZ Infrastructures (West Bengal) 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
			152.51		148.40
3. IN EQUITY SHARES OF SUBSIDIARIES					
(Fully Paid up)					
Eagle ECorp Ltd.	US$ 1	**10,000**	**0.44**	10,000	0.44
Godavari Consumer Electronics Appliances Pvt. Ltd.	10	**10,000**	**0.10**	10,000	0.10
Mayur Household Electronics Appliances Pvt. Ltd.	10	**10,000**	**0.10**	10,000	0.10
Middle East Appliances LLC.	RO 1	**2,251,800**	**270.14**	2,251,800	270.14
Paramount Global Ltd.	US$ 1	**12,800,000**	**562.12**	12,800,000	562.12
Pipavav Energy Pvt. Ltd.	10	**10,000**	**0.10**	10,000	0.10
Powerking Corporation Ltd.	US$ 1	**2,711**	**0.12**	2,711	0.12
Sky Billon Trading Ltd.	US$ 1	**1,072,000**	**49.61**	1,072,000	49.61
Venus Corporation Ltd.	US$ 1	**2,982**	**0.14**	2,982	0.14
Videocon (Mauritius) Infrastructure Ventures Ltd.	US$ 1	**-**	**-**	530,000	22.58
Videocon Display Research Co. Ltd.	JPY 50000	**1,200**	**22.97**	1,200	22.97
Videocon Electronics (Shenzhen) Ltd.	US$ 1	**135,000**	**6.42**	30,000	1.28
(Chinese name-Wei You Kang Electronic (Shenzhen) Co. Ltd.)					
Videocon Mozambique Rovuma 1 Ltd.		**10,000**	**0.43**	10,000	0.43
(formerly Videocon Energy Resources Ltd.)					
Videocon Energy Ventures Ltd.	US$ 1	**1,000**	**0.04**	1,000	0.04
Videocon Energy Brazil Ltd.		**1,000**	**0.04**	1,000	0.04
(formerly Videocon Global Energy Holdings Ltd.)					
Videocon Global Ltd.	US$ 1	**2,500**	**0.12**	2,500	0.12
Videocon Indonesia Nunukan Inc.	US$ 1	**1,000**	**0.05**	-	-
Videocon International Electronics Ltd.	10	**2,000,000,000**	**20,000.00**	50,000	0.50
Videocon JPDA 06-103 Ltd. (formerly Global Energy Inc.)	US$ 1	**1,000**	**0.04**	1,000	0.04
Videocon Telecommunications Ltd.	10	**56,000,000**	**560.00**	15,000,000	150.00
(formerly Datacom Solutions Ltd.)					
			21,472.99		1,080.88
4. IN JOINT VENTURES					
VB (Brasil) Petroleo Private Ltda.**	BrII	**1,004,500**	**24.32**	1,004,500	24.32
Videocon Infinity Infrastructure Private Ltd.	10	**5,000**	**0.05**	5,000	0.05
			24.37		24.37
5. IN PREFERENCE SHARES (Fully Paid up)					
Plugin Sales Ltd.	100	**3,800**	**0.38**	3,800	0.38
			0.38		0.38
IN DEBENTURES					
Redeemable Non-Convertible Debentures of Citi Corp Finance (India) Ltd.	1000000	**-**	**-**	50	50.00
Techno Electronics Ltd.	100	**20,000,000**	**2,000.00**	-	-
			2,000.00		50.00
OTHER INVESTMENTS					
A. In Shares of Co-operative Bank					
A'nagar Dist. Urban Central Co-op. Bank Ltd.		**10**	**–**	10	–
Bharati Sahakari Bank Ltd.		**7,670**	**0.38**	7,670	0.38
Bombay Mercantile Co-op. Bank Ltd.		**4,166**	**0.04**	4,166	0.04
Janta Sahakari Bank Ltd.		**857**	**0.09**	857	0.09
The Saraswat Co-operative Bank Ltd.		**1,000**	**0.01**	1,000	0.01
			0.52		0.52
B. In Shares of Co-operative Society		**31**	**0.002**	31	0.002
TOTAL A + B			**0.52**		0.52

SCHEDULES TO BALANCE SHEET (Continued)

	Face Value	As at 30th Sept., 2009 Nos.	As at 30th Sept., 2009 Rs. in Million	As at 30th Sept., 2008 Nos.	As at 30th Sept., 2008 Rs. in Million
SCHEDULE 6: INVESTMENTS (Continued)					
SHARE APPLICATION MONEY PENDING ALLOTMENT					
Bharat Business Channel Ltd.			**1,300.00**		-
Eagle Corporation Ltd.			**-**		13,575.65
Goa Energy Pvt. Ltd.			**-**		300.00
Next Retail India Ltd.			**-**		1,000.00
Pipavav Energy Pvt. Ltd.			**1,500.00**		-
Sapphire Overseas Inc.			**-**		80.58
Sky Appliances Ltd.			**-**		150.00
Videocon Global Energy Holdings Ltd.			**-**		4.25
Videocon Global Ltd.			**-**		1,525.98
Videocon JPDA 06-103 Ltd. (Formerly Global Energy Inc.)			**-**		13.04
Videocon Realty and Infrastructures Ltd.			**-**		0.40
			2,800.00		16,649.89
CURRENT INVESTMENTS					
UNQUOTED					
IN BONDS					
Central Bank of India	100000	**500**	**50.00**	500	50.00
			50.00		50.00
IN UNITS OF MUTUAL FUNDS/PORTFOLIOS					
1024 ICICI Prudential Indo Asia Equity Fund Retail Dividend	10	**5,000,000**	**45.95**	5,000,000	35.75
Birla Sun Life Special Situations Fund	10	**-**	**-**	5,000,000	35.60
Canara Robeco Force Retail Growth Fund	10	**1,000,000**	**10.00**	-	-
Canara Robeco Multicap-Growth	10	**-**	**-**	5,000,000	46.60
HDFC PMS Real Estate Fund	10	**400,000**	**4.00**	150,000	1.24
ING Global Real Estate Fund	10	**487,805**	**4.52**	487,805	4.27
J M Agri and Infra Fund-Dividend Plan	10	**5,000,000**	**15.76**	5,000,000	23.08
J M Contra Fund-Dividend Plan (243)	10	**5,000,000**	**27.16**	5,000,000	36.53
J M Core II Fund-Series	10	**5,000,000**	**24.14**	5,000,000	28.66
L.I.C. Mutual Fund Floating Rate Fund	10	**-**	**-**	18,945,757	252.90
L.I.C.Mutual Fund India Vision Fund	10	**10,000,000**	**82.16**	10,000,000	79.94
L.I.C.Mutual Fund Infrastructure Fund	10	**5,000,000**	**47.04**	5,000,000	37.14
L.I.C.Mutual Fund Liquid Plus Fund-Growth Plan	10	**121,270,924**	**2,000.00**	241,258,835	2,700.00
L.I.C.Mutual Fund Systematic Asset Allocation Fund-Growth	10	**5,000,000**	**50.00**	5,000,000	47.85
L.I.C.Mutual Fund Top 100 Fund	10	**10,000,000**	**78.49**	10,000,000	66.58
Mirae Asset Liquid Fund-Super Inst-Growth Option	1000	**-**	**-**	2,805,324	2,885.91
Optimix Dynamic Multi-Manager FoF Scheme-Growth	10	**2,000,000**	**19.90**	2,000,000	19.14
Peninsula Realty Fund Scheme Pref Indigo	100000	**400**	**31.90**	400	40.00
PMS Tripal AAACC Scheme			**-**		8.70
Principal Large Cap Fund-Growth Plan	10	**28,588**	**0.50**	28,588	0.46
Principal PNB Fixed Maturity Plan (FMP-54)	10	**-**	**-**	3,672,995	36.73
Principal PNB Long Term Equity Fund 3 year Plan Series II	10	**500,000**	**4.77**	500,000	3.50
Prinicipal PNB Long Term Equity Fund	10	**200,000**	**1.96**	200,000	1.65
Prinicipal Resurgent India Equity Fund-Growth Plan	100	**25,625**	**2.07**	25,625	1.64
Reliance Capital Asset Management			**-**		50.00
Reliance Infra Fund Retail Growth Plan	10	**244,499**	**2.50**	-	-
Reliance Long Term Equity Fund-Growth	10	**10,000,000**	**100.00**	10,000,000	95.42
SHINSEI Liquid Fund - Institutional Growth Plan	10	**4,950,887**	**50.00**	-	-
Sundaram BNP Paribas Energy Opportunities Fund-Dividend	10	**5,000,000**	**42.58**	5,000,000	33.42
Sundaram BNP Paribas Energy Opportunities Fund-Growth	10	**5,000,000**	**42.58**	5,000,000	33.42
UTI Infrastructure Advantage Fund Series I	10	**100,000**	**0.91**	100,000	0.72
UTI Wealth Builder Fund-Growth	10	**100,000**	**1.00**	100,000	1.00
			2,689.86		6,607.83
TOTAL INVESTMENTS			**30,648.99**		26,955.88
Aggregate Book Value of Quoted Investments			**79.36**		1,707.89
Aggregate Market Value of Quoted Investments			**108.26**		2,147.05
Aggregate Book Value of Unquoted Investments/ Application Money			**30,569.63**		25,247.99

** Out of Total Investments, 1,004,500 quotas (shares) of VB (Brasil) Petroleo Private Ltda. amounting to Rs. 24.32 million are pledged with bank as security for availment of loan.

SCHEDULES TO BALANCE SHEET (Continued)

SCHEDULE 6: INVESTMENTS (Continued)

Details of Investments acquired and sold / redeemed during the year :

Particulars	Quantity (Nos.)	Cost (Rs. in Million)
Al Champdany Industries Ltd.	130,094	2.02
Asianet Communications Ltd	1,969,150	444.33
Cairn India Ltd.	165,007	30.75
Deccan Cement Ltd.	10,600	1.22
Emami Limited	593,408	147.75
Filatex India Ltd.	100,000	1.28
Great Offshore Limited	245,000	92.69
Gulf Oil Corporation Ltd.	37,500	1.13
Hindalco Industries Ltd.	55,000	6.62
ICICI Bank Ltd.	250,000	103.37
IndBank Merchant Banking Services Ltd.	93,200	0.75
Indiabulls Securities Ltd.	4,500	0.16
JCT Electronics Ltd.	26,602	0.11
Mukand Ltd.	80,000	3.68
NHPC Ltd.	100,000	3.58
Nirlon Ltd.	320,708	6.90
Pix Transmissions Ltd.	37,500	0.86
Reliance Industries Ltd.	4,000	8.50
Sterling Holiday Resorts (India) Ltd.	47,938	0.81
United Phosphorus Ltd.	10,000	0.38
Bharti Axa Liquid Fund-Treasury Adv Fund	46,411	50.00
ICICI Prudential Inst. Liquid Plan-Super Inst Growth	34,040,208	350.00
L.I.C. Mutual Fund Liquid Plus Fund-Growth Plan	511,305,354	8,302.38
LICMF Income Plus Fund-Growth Plan	294,176,958	3,501.47
Mirae Asset Liquid Fund-Super Inst-Growth Option	71,244	75.00
Reliance Liquidity Fund-Growth Plan	111,821,801	1,500.00
Sundaram BNP Paribas Money Fund	16,005,142	300.00

SCHEDULE 7: CURRENT ASSETS, LOANS AND ADVANCES

		As at 30th Sept., 2009 (Rs. in Million)	As at 30th Sept., 2008 (Rs. in Million)
A. Inventories			
(As taken, valued and certified by the Management)			
Raw Materials including Consumables, Stores and Spares		10,953.00	9,913.95
Work in Process		794.40	765.07
Finished Goods		3,578.19	3,470.00
Material in Transit and in Bonded warehouse		2,113.43	1,337.25
Drilling and Production Materials		171.30	164.71
Crude Oil		24.61	37.66
	(A)	17,634.93	15,688.64
B. Sundry Debtors (Unsecured)			
Outstanding for a period exceeding six months			
Considered Good		131.42	114.01
Considered Doubtful		264.79	449.95
		396.21	563.96
Less : Provision for Doubtful Debts		264.79	449.95
		131.42	114.01
Others - Considered Good		16,949.71	15,714.88
	(B)	17,081.13	15,828.89
C. Cash and Bank Balances			
Cash on hand		7.24	12.29
Cheque/ Drafts on hand/ in Transit		457.35	423.94
Balances with Scheduled Bank			
In Current Accounts		2,689.72	1,373.10
In Fixed Deposits		1,797.09	2,035.72
In Dividend/Interest Warrant Account (Per Contra)		33.38	35.71
Balances with Non-Scheduled Bank in Current Accounts			
China Merchants Bank		0.28	2.08
(Maximum Balance Outstanding during the year Rs. 7.05 million, Previous year Rs. 7.48 million)			
	(C)	4,985.06	3,882.84
D. Other Current Assets			
Interest Accrued		44.34	66.56
Insurance Claim Receivable		24.66	57.94
Other Receivable		251.43	61.24
	(D)	320.43	185.74
E. Loans and Advances (Unsecured, considered good)			
Advances to Subsidiary Companies		28,481.09	19,163.38
Advances recoverable in Cash or in kind or for value to be received		18,377.04	19,751.83
Balance with Central Excise / Customs Department		652.61	643.14
Advance Income Tax (Net of Provision)		44.76	-
Advance Fringe Benefit Tax (Net of Provision)		0.07	0.10
Other Deposits		379.47	374.01
	(E)	47,935.04	39,932.46
	TOTAL (A to E)	87,956.59	75,518.57

SCHEDULE 8: CURRENT LIABILITIES AND PROVISIONS

		As at 30th Sept., 2009 (Rs. in Million)	As at 30th Sept., 2008 (Rs. in Million)
A. Current Liabilities			
Sundry Creditors *			
Due to Micro, Small and Medium Enterprises		0.19	9.56
Due to others		6,105.73	4,920.91
Bank Overdraft as per books		32.15	38.36
Interest Accrued but not due		49.24	293.06
Other Liabilities		2,316.43	2,485.64
Unclaimed Dividend/Interest (Per Contra)		33.38	35.71
* Including Acceptance of Rs. 5,192.43 million (Previous year Rs. 3,190.57 million)	(A)	8,537.12	7,783.24
B. Provisions			
Provision for Income Tax (Net of Advance Tax)		-	730.72
Proposed Dividend - Equity		462.53	229.45
Proposed Dividend - Preference		36.81	36.81
Provision for Corporate Tax on Proposed Dividend		84.86	45.25
Provision for Warranty and Maintenance Expenses		618.73	401.11
Provision for Leave Encashment		36.00	31.28
Provision for Gratuity		62.99	45.09
	(B)	1,301.92	1,519.71
	TOTAL (A + B)	9,839.04	9,302.95

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	Year ended on 30th Sept., 2009 (Rs. in Million)	Year ended on 30th Sept., 2008 (Rs. in Million)
SCHEDULE 9: OTHER INCOME		
Interest Income	**264.74**	600.44
(TDS Rs. 30.86 million, Previous year Rs. 133.02 million)		
Income from Investments and Securities Division	**48.39**	(523.51)
(TDS Rs. 69.22 million Previous year Rs. 70.03 million)		
(Refer Note B-11 of Schedule No.15)		
Profit on Sale of Fixed Assets	**-**	66.37
Insurance Claim Received	**17.83**	26.14
Miscellaneous Income	**9.19**	118.78
(TDS Rs. 0.01 million, Previous year Rs. 0.01 million)		
TOTAL	**340.15**	288.22
SCHEDULE 10: COST OF GOODS CONSUMED/SOLD		
A. Material and Components Consumed		
Opening Stock	**9,913.95**	8,119.11
Add : Purchases	**57,307.48**	54,728.29
	67,221.43	62,847.40
Less : Closing Stock	**10,953.00**	9,913.95
(A)	**56,268.43**	52,933.45
B. (Increase)/Decrease in Stock		
Closing Stock:		
Finished Goods	**3,602.80**	3,507.66
Work in Process	**794.40**	765.07
	4,397.20	4,272.73
Opening Stock:		
Finished Goods	**3,507.66**	3,261.32
Work in Process	**765.07**	988.43
	4,272.73	4,249.75
(B)	**(124.47)**	(22.98)
TOTAL (A + B)	**56,143.96**	52,910.47
SCHEDULE 11: PRODUCTION AND EXPLORATION EXPENSES - OIL AND GAS		
Production Expenses	**594.09**	401.53
Royalty	**305.95**	362.63
Cess	**419.04**	499.54
Production Bonus	**95.68**	95.80
Government Share in Profit Petroleum	**5,724.28**	10,264.76
Exploration Expenses	**28.03**	711.32
Insurance Expenses	**39.79**	44.02
TOTAL	**7,206.86**	12,379.60

	Year ended on 30th Sept., 2009 (Rs. in Million)	Year ended on 30th Sept., 2008 (Rs. in Million)
SCHEDULE 12: SALARY, WAGES AND EMPLOYEES' BENEFITS		
Salary, Wages and Other Benefits	**1,056.19**	986.53
Contribution to Provident and other Funds	**117.00**	89.11
Staff Welfare	**91.04**	82.54
TOTAL	**1,264.23**	1,158.18
SCHEDULE 13: MANUFACTURING AND OTHER EXPENSES		
Power, Fuel and Water	**808.42**	867.73
Freight and Forwarding	**1,150.06**	1,075.18
Rent	**115.86**	158.72
Rates and Taxes	**73.98**	69.66
Repairs to Building	**26.06**	31.71
Repairs to Plant and Machinery	**94.98**	85.13
Repairs & Maintenance-others	**91.09**	62.55
Insurance Expenses	**89.53**	68.13
Advertisement & Publicity	**927.68**	1,045.77
Sales Promotion Expenses	**254.08**	215.49
Discount and Incentive Schemes	**2,317.15**	2,107.60
Bank Charges	**293.93**	307.58
Auditiors' Remuneration	**11.39**	10.80
Donation	**134.53**	91.70
(Includes Amount Paid to Bharatiya Janata Party Rs. 27.50 million, National Conference Rs. 5.00 million. (Previous year Rashtriya Janata Dal Rs. 5.00 million, Nationalist Congress Party Rs. 10.00 million, All India Congress Committee Rs. 20.00 million, Swatantra Bharat Paksha Rs. 2.50 million, Bharatiya Janata Party Rs. 25.00 million)		
Directors' Sitting Fees	**1.54**	1.32
Legal and Professional Charges	**355.97**	230.22
Royalty	**85.96**	69.60
Printing & Stationery	**24.82**	24.18
Warranty and Maintenance Expenses	**851.43**	606.66
Provision for Doubtful Debts	**39.68**	38.99
Exchange Rate Fluctuation	**767.79**	342.29
Loss on Sale of Fixed Assets	**99.60**	-
Loss due to Fire	**254.14**	-
Miscellaneous Expenses	**567.27**	304.62
TOTAL	**9,436.94**	7,815.63
SCHEDULE 14: INTEREST AND FINANCE CHARGES		
On Fixed Period Borrowings	**5,896.79**	3,629.35
On Others	**466.82**	381.68
TOTAL	**6,363.61**	4,011.03

SCHEDULE 15 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A] SIGNIFICANT ACCOUNTING POLICIES :-

1. 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 Standard) 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 year. 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.

2. Fixed Assets :

a) Fixed Assets are stated at actual cost, except for certain fixed assets which have been stated at revalued amounts, less accumulated depreciation/amortisation and impairment loss, if any. The actual 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.

b) Capital Work in Progress is carried at cost, comprising of direct cost, attributable interest and related incidental expenditure. The advances given for acquiring fixed assets are shown under Capital Work in Progress.

3. 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.

4. 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.

5. 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.

6. Depreciation and Amortisation :

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 01.04.2000, on which depreciation is provided on straight line method at the rates specified in the said Schedule. 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 : Intangible assets are amortised over a period of five years.

7. 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 it's 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.

8. Investments :

a) Current Investments : Current Investments are carried at lower of cost or quoted/fair value.

b) Long Term Investments : Quoted Investment are valued at cost or market value whichever is lower. Unquoted Investments are stated at cost. The decline in the value of the unquoted investment, other than temporary, is provided for.

Cost is inclusive of brokerage, fees and duties but excludes Securities Transaction Tax.

9. 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.

10. 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.

11. Excise and Customs Duty :

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

12. CENVAT/Value Added Tax :

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

13. Revenue Recognition :

a) Revenue is recognised on transfer of significant risk and reward in respect of ownership.

b) Sale of Crude Oil and Natural Gas are exclusive of Sales Tax. Other 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) Insurance, Duty Drawback and other claims are accounted for as and when admitted by the appropriate authorities.

d) Dividend on investments is recognised when the right to receive is established.

14. Foreign Currency Transactions :

a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions. Current Assets and Current 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 Current Assets and Current Liabilities at the end of the year is recognised, as the case may be, as income or expense for the year.

b) Foreign Currency liabilities in respect of loans availed for fixed assets and outstanding on the last day of the financial year are translated at the exchange rate prevailing on that day and any loss or gain arising out of such translation is recognised, as the case may be, as income or expense for the year.

c) 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.

d) 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, in pursuance of the announcement of The Institute of Chartered Accountants of India (ICAI) dated 29th March, 2008 on accounting of derivatives. The resultant gains and losses on fair valuation of such contracts are recognised in the profit and loss account.

15. 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, respectively, of the accounting year.

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.

16. Employee Benefits :

a) Short Term Employee Benefits

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

b) Post Employment Benefits

i) Provident Fund

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

ii) Gratuity

The Company provides for gratuity (a defined benefit retirement plan) 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 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 profit and loss account.

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 profit and loss account.

17. Taxation :

Income tax comprises of current tax, deferred tax and fringe benefit tax. Provision for current income tax and fringe benefit 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.

18. Share Issue Expenses :

Share issue expenses are written off to Securities Premium Account.

19. Premium on Redemption of Bonds/Debentures :

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

20. 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.

21. Accounting for Leases :

Where the Company is lessee

a) **Operating Leases :** Rentals in respect of all operating leases are charged to Profit and Loss Account.

b) **Finance Leases :**

i) Rentals in respect of all finance leases entered before 1st April, 2001 are charged to Profit and Loss Account.

ii) In accordance with Accounting Standard – 19 on "Accounting for Leases" issued by the Institute of Chartered Accountants of India, assets acquired under finance lease on or after 1st April, 2001, are capitalised at the lower of their fair value and present value of the minimum lease payments and are disclosed as "Leased Assets".

22. 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.

23. Prior Period Items :

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

24. Provision, Contingent Liabilities and Contingent Assets :

Provisions comprise liabilities of uncertain timing or amount. 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.

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

Contingent assets are not recognised in the financial statements.

25. Other Accounting Policies :

These are consistent with the generally accepted accounting practices.

B] NOTES TO ACCOUNTS:

(Rs. in Million)

		As at 30th Sept., 2009	As at 30th Sept., 2008
1.	**Contingent Liabilities not provided for :**		
a)	Letters of Guarantees	**59,757.26**	45,206.98
b)	Letters of Credit opened	**4,015.05**	1,337.13
c)	Customs Penalty	**23.96**	0.88
d)	Customs Duty demands under dispute [Amount paid under protest Rs. 0.82 million (Previous year Rs. 0.40 million)]	**156.09**	249.49
e)	Income Tax demands under dispute	**349.38**	349.38
f)	Excise Duty and Service Tax demand under dispute [Amount paid under protest Rs. 4.21 million (Previous year Rs. 2.87 million)]	**189.37**	275.57
g)	Sales Tax demands under dispute [Amount paid under protest Rs. 57.91 million (Previous year Rs. 23.96 million)]	**156.38**	326.36
h)	Others	**-**	51.42

i) 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 16th August, 2002 to 31st March, 2009. The amount involved relating to Ravva Block is Rs. 415.28 million (Previous year Rs. 101.55 million).

The Operator is contesting the show cause notices/demands before Commissioner of Service Tax and has filed writ petition before Hon'ble

High Court of Chennai 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 Ventures. Should it ultimately become payable, the Company's share as per the participating interest would be upto Rs. 103.82 million (Previous year Rs. 25.38 million).

j) Ravva Oil & Gas Field Joint-Venture has received a demand notice for Rs. 21.53 million for delay in payment of cess for the period April 2001 to February 2004. The Ravva JV filed an appeal with Hon'ble High Court of Andhra Pradesh and has received an interim stay order against the demand. The Ravva Oil & Gas Field Joint-Venture believes that its position is likely to be upheld. However, should the liability ultimately arise, the Company's share as per the participating interest would be upto Rs. 5.38 million (Previous year Rs. 5.38 million).

k) Disputed Income Tax demand amounting to Rs. 22.29 million in respect of certain payments made by Ravva Oil & Gas Field Joint Venture is currently pending before the Income Tax Appellate Tribunal. 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 Rs. 5.57 million (Previous year Rs. 5.57 million).

2. a) There was a dispute regarding (i) deductibility of Oil and Natural Gas Corporation Limited Carry (ONGC Carry) while computing the Post Tax Rate of Return (PTRR) under the Ravva Production Sharing Contract (PSC); (ii) deductibility of provision of Site Restoration Costs for computation of Cost Petroleum and PTRR; (iii) deductibility of inventory purchased for computation of Cost Petroleum and PTRR; (iv) deductibility of notional Dividend Distribution Tax under the Income Tax Act, 1961 for computation of PTRR; (v) deductibility of deposits, advances and pre-payments made for the purpose of Petroleum Operations in the business of Ravva Oil & Gas Field for computation of Cost Petroleum and PTRR; and (vi) the conversion rate to be applied by the Government of India (GOI) while converting the USD amount into Indian Rupees against the invoices raised for sale of crude oil. The Dispute was referred to an International Arbitration in accordance with the provisions of the Ravva PSC. Vide the interim award dated 31st March, 2005, the Tribunal has upheld the Company's claims stated in (i) and (v) above whereas the claim of the Company stated in (ii), (iii) and (iv) above were rejected by the Tribunal. As regards claim stated at (vi) above, the Tribunal held that the payment to the Company is to be made after converting the USD amount into Indian Rupees at the State Bank of India Middle Rate i.e. the average of the buying and selling rate. Further, the Supplementary Claim of the Company for payment of interest for delayed payment against invoices raised for sale of crude oil is yet to be decided by the Arbitral Tribunal. While accepting the Interim Award, the Company computed and submitted the calculation on 31st May, 2005 to GOI indicating the amount payable by the Company after applying the said Arbitration Award at US$ 27.02 million equivalent to Rs. 1,081.88 million, which was not accepted by GOI and it claimed that the Company needs to pay US$ 43.72 million equivalent to Rs. 1,901.79 million and interest thereon applying the same Arbitration Award. Since the Company and the GOI were not able to agree upon the amounts due to/payable by the Company, the Company on 7th July, 2005 filed Interim Applications followed by an amendment application on 8th August, 2005 before the Arbitral Tribunal seeking a determination of the amounts due to/payable by the Company. The dispute between the Company and GOI with regard to the computation of interest on delayed payment of profit petroleum to the extent of US$ 67,636 equivalent to Rs. 2.71 million is also covered. Pending the final decision of the Hon'ble Arbitral Tribunal, the Company has accounted for and paid the sum of US$ 43.72 million equivalent to Rs. 1,901.79 million to GOI on ad hoc basis.

The GOI had further filed a Petition on 10th May, 2005 before the High Court in Malaysia challenging the Arbitration Award and praying for setting aside the Partial Award dated 31st March, 2005 only in respect of ONGC Carry issue. The Company challenged the jurisdiction of the said High Court and therefore the maintainability of such an appeal before that Court. The High Court has in this matter, by a pronouncement dated 5th August, 2009, upheld the contentions of the Company and dismissed the challenge filed by the GOI to the Award dated 31st March 2005 on the ONGC Carry issue. The GOI has filed a Notice of Appeal before the Appellate Court at Malaysia. The GOI Appeal is yet to be listed for hearing. The Company believes that its position is likely to be upheld.

b) There is a dispute regarding the rate of conversion from US$ into Indian Rupees applicable to the Nominees of the GOI for the purpose of payment of amount of the invoices for sale of the Crude Oil by the Company under the Ravva PSC. Vide the interim award dated 31st March, 2005, the Tribunal has partly upheld the Company's claim. While accepting the Award, the Company has worked out and submitted a computation on 30th June, 2005 to GOI claiming the amount receivable at Rs. 121.43 million being the amount short paid by GOI nominees up to 19th June, 2005 and interest thereon also calculated up to 19th June, 2005. The Company further vide its letter dated 22nd August, 2005 updated its claim claiming the total amount receivable from GOI Nominees at Rs. 124.42 million being the amount short paid by GOI nominees up to 31st July, 2005 and interest thereon also calculated up to 31st July, 2005. The Company further vide its letter dated 28th April, 2008 updated its' claim indicating the total amount receivable from GOI Nominees at Rs. 349.85 million, being the amount short paid by GOI Nominees upto 31st March, 2008 and interest thereon also calculated up to 31st March, 2008. On 25th November, 2009 the Company has further updated its claim in this respect vide its letter dated 25th November, 2009, wherein total amount receivable from GOI Nominees is computed at Rs. 498.15 million, being the amount short paid by GOI Nominees upto 31st March, 2009 and interest thereon also calculated up to 31st March, 2009. The dispute regarding the payments to be made by the GOI's nominees in terms of the Award dated 31st March, 2005 is also pending before the Arbitral Tribunal in terms of the Interim Applications filed. The GOI has filed an Original Miscellaneous Petition (OMP) 329 of 2006 dated 20th July, 2006 before Hon'ble Delhi High Court challenging the award in respect of this Dispute. Another OMP 223 of 2006 dated 9th May, 2006 has been filed by GOI's nominees HPCL and BRPL in the Hon'ble Delhi High Court challenging the Partial Award dated 31st March, 2005 in respect of Conversion/Exchange Rate Matter. Both OMP 223 of 2006 and OMP 329 of 2006 are presently sub-judice before the Hon'ble Delhi High Court. The GOI nominees continue to make payments at the exchange rate without considering the directives of the Hon'ble Arbitral Tribunal in this regard.

c) GOI has filed OMP 255 of 2006 dated 30th May, 2006 before the Hon'ble Delhi High Court under section 9 of the Arbitration and Conciliation Act, 1996, seeking a declaration that the seat of the arbitration as regards the disputes between the Company and the GOI is Kuala Lumpur and not London. The Hon'ble Arbitral Tribunal vide its letter dated 28th March, 2007 has indicated that it shall continue with the arbitration proceedings, in respect of the disputes referred above, after receiving the judgement of the Hon'ble Delhi High Court in OMP 255 of 2006. The Hon'ble Delhi High Court has held, vide order dated 30th April, 2008, that it has the jurisdiction to hear the matters arising out of arbitration process and that the matter be heard on merits as against the Company's contention that the said petition itself was not maintainable. The Company has, in this respect, filed Special Leave Petition (SLP) (Civil) No. 16371 of 2008 before the Hon'ble Supreme Court of India to decide the issue of maintainability of OMP 255 of 2006. The Hon'ble Supreme Court after hearing the Parties, has on 11th November 2009, reserved judgement in the matter. The Company believes that its' position is likely to be upheld.

d) In respect of disputes with regard to additional profit petroleum stated in (a) above, the GOI had vide its letter dated 3rd November, 2006 raised a collective demand of Rs. 334.13 million on account of additional profit petroleum payable and interest on delayed payments of profit petroleum calculated up to 30th September, 2006 pursuant to the Partial Arbitral Award dated 31st March, 2005 in the dispute stated above, Interim Award dated 12th February, 2004 and Partial Award dated 23rd December, 2004. The Company has disputed such demand and is instead seeking refund of USD 16.70 million equivalent to Rs. 668.67 million already excess paid by the Company to the GOI with interest thereon. Subsequently, GOI has in June 2008 through its Nominees deducted a further sum of Rs. 372.21 million being its claim of additional profit petroleum and interest on delayed payment of profit petroleum computed up to 30th April, 2008. Such deduction, also being in contravention of the above-referred Arbitral Awards, is disputed by the Company.

Any further sum required to be paid or returnable in respect of dispute above at (a) to (d) in accordance with the determination of the amount by Hon'ble Arbitral Tribunal/Supreme Court/High Courts in this behalf shall be accounted for on the final outcome in this regard.

3. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances) Rs. 324.16 million (Previous year Rs. 528.59 million).

4. Capital Work-in-Progress includes advances for capital assets Rs. 2,465.46 million (Previous year Rs. 3,489.92 million), Interest and other finance charges capitalised during the year Rs. 883.70 million (Previous year Rs. 544.61 million).

5. The Company had, during the year 2006, issued

a) 90,000 Foreign Currency Convertible Bonds of US$ 1000 each (Bonds) due on 7th March 2011 out of which 41,820 (Previous year 41,820) Bonds are outstanding.

i) The Bonds are convertible at the option of the bondholders at any time on and after 20th March, 2006 upto the close of business on 28th February, 2011 at a fixed exchange rate of Rs. 44.145 per 1 US$ and at initial conversion price of Rs. 545.24 per share being at premium of 15% over the reference share price. The conversion price shall be adjusted downwards in the event that the average closing price of shares for 15 consecutive trading days immediately prior to the reset date is less than conversion price, subject to a floor price of Rs. 410/- as adjusted in accordance with the anti-dilution provisions.

ii) The Bonds are redeemable in whole but not in part at the option of the Company on or after 7th February, 2009 but prior to 28th February, 2011 if aggregate value on each of 30 consecutive trading days ending not earlier than 14 days prior to the date upon which notice of such redemption is given was at least 130% of the accreted principal amount.

iii) The Bonds are redeemable at maturity date i.e. on 7th March, 2011 at 116.738% of its principal amount, if not redeemed or converted earlier.

b) 105,000 Foreign Currency Convertible Bonds of US$ 1000 each (Bonds) due on 25th July, 2011 out of which 66,651 (Previous year 66,651) Bonds are outstanding.

i) The Bonds are convertible at the option of the bondholders at any time on or after 2nd September, 2006 until 18th July, 2011 except for certain closed periods, at a fixed exchange rate of Rs. 46.318 per 1 US$ and at initial conversion price of Rs. 511.18 per share being at premium of 22% over reference share price. The conversion price shall be adjusted downwards in the event that the average closing price of shares for 15 consecutive trading days immediately prior to the reset date is less than conversion price, subject to a floor price of Rs. 410/- as adjusted in accordance with the anti-dilution provisions.

ii) The Bonds are redeemable in whole but not in part at the option of the Company on or after 24th August, 2009, if aggregate value on each of 30 consecutive trading days ending not earlier than 14 days prior to the date upon which notice of such redemption is given was at least 130% of the accreted principal amount. Redeemable in whole but not in part at the option of the Company on or after 24th August, 2009, if aggregate value on each of 30 consecutive trading days ending not earlier than 14 days prior to the date upon which notice of such redemption is given was at least 130% of the accreted principal amount.

iii) The Bonds are redeemable at maturity date i.e. on 25th July, 2011 at 127.65% of its principal amount, if not redeemed or converted earlier.

6. The Company has issued and allotted 11,765,000 Warrants on 1st June, 2009 for a consideration of Rs. 42.50 per warrant being the warrant subscription price. Each Warrant entitles the holder to subscribe to one equity share within a period of 18 months from the date of allotment at the price of Rs. 170/- per equity share. In the event, the holder of Warrant does not exercise the option within the aforesaid period, the Warrant Subscription amount in respect of such warrants shall be forfeited and the Warrants shall lapse.

7. The Company has made a provision of Rs. 880.20 million (Previous year Rs. 1,349.00 million) towards current Income Tax, after taking into consideration the benefits admissible under the provisions of the Income Tax Act, 1961. The Company has also made a provision of Rs. 1.00 million (Previous year Rs. 1.00 million) towards Wealth Tax. The same are, in the opinion of the Management, adequate.

8. The Company has reviewed fixed assets for Impairment and has identified some of the machinery and equipments, which have been impaired. Consequently, an amount of Rs. 449.45 million (Previous year Rs. 998.90 million) has been assessed as impairment loss and has been recognized in the Profit and Loss Account. The related Deferred Tax Credit of Rs. 152.77 million (Previous year Rs. 339.52 million) has been considered in the Provision for Deferred Tax in the Profit and Loss Account. Further, during the year, the Company has discarded/disposed off certain fixed assets which were out of active use and accordingly have been eliminated from the financial statements. The resultant gain or loss has been recognised in the profit and loss account.

(Rs. in Million)

	As at 30th Sept., 2009	As at 30th Sept., 2008
9. The major components of deferred tax liabilities/assets are as under :		
A. Deferred Tax Liabilities		
Related to Depreciation on Fixed Assets and amortisation	**5,375.75**	5,142.56
	5,375.75	5,142.56
B. Deferred Tax Assets		
i) Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961	**218.72**	33.65
ii) Diminution in value of investments charged in Profit and Loss Account	**-**	272.43
iii) Others	**33.65**	592.18
	252.37	898.26
Net Deferred Tax Liability	**5,123.38**	4,244.30

10. Joint Venture Disclosure :

A. 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 Accounting Policy No. A-5 above, 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.

B. Unincorporated Joint Ventures :

a) The Company has participating interest of 25% in Ravva Oil and Gas Field Joint Venture (JV) through the Production Sharing Contract (PSC). Other members of the JV are Oil and Natural Gas Corporation Ltd, Cairn Energy India Pty Limited and Ravva Oil (Singapore) Pte. Ltd.

The parties have pursuant to the PSC, entered into a Joint Operating Agreement. Cairn Energy India Pty Ltd. is the Operator.

b) The Consortium comprising the Company, Oilex Oman Ltd., GAIL India Ltd., Hindustan Petroleum Corporation Ltd. and Bharat Petroleum Corporation Ltd. has been awarded the Block #56, on the Eastern Plank of the Central Salt Producing Oil Field in Oman. The Exploration Production Sharing Agreement and Joint Operating Agreement have been executed on 28th June, 2006. 2D and 3D seismic data are being reprocessed in Permian Flank and the exploration drilling in Sarha-1 well is in progress. Two of the three exploration wells have been successfully drilled. The Participating interest of the Company in the said venture is 25%. The said interest of the Company has been, subsequent to the balance sheet date, transferred to Videocon Oman 56 Limited, a wholly owned subsidiary of Videocon Energy Ventures Limited, which, in turn is a wholly owned subsidiary of the Company. The Capital Commitments based on estimated minimum work programme in relation to it's participating interest is Rs. 336.62 million (Previous year Rs. 492.18 million).

c) The Consortium comprising the Company, Oilex Ltd., Gujarat State Petroleum Corporation Ltd., Hindustan Petroleum Corporation Ltd. and Bharat Petroleum Corporation Ltd. has been awarded Block WA-388-P for a term of 6 years by Government of Western Australia. Joint Operating Agreement has been signed in March 2007 and acquisition of Seismic Data is in progress. A Farm-out Agreement has been entered into with Sasol Petroleum Australia Ltd. on 12th August 2008 whereby, Sasol has acquired 30% participating interest in the Block and will become operator in place of Oilex, subject to fulfillment of all obligations under the said Agreement. In return, Sasol will carry the JV partners for certain costs in respect of Rose 3D seismic data. The participating interest of the Company after this Farm-out Agreement is 14%. The Capital Commitments of the Company for next three years based on six year work programme is Rs. 450.77 million (Previous year Rs. 61.61 million).

d) The Company had 20% interest in EPP 27 offshore Otway Basin, South Australia through Joint Venture. Other members of the JV were Great Artesian Oil and Gas Ltd. (GOG), Oilex NL and Gujarat State Petroleum Corporation Ltd. Permit for the said concession has expired on 24th August, 2008. In March 2009, the JV partners have entered into a Good Standing Arrangement with the Government of South Australia committing to spend an amount of A$ 5,253,061 towards acquisition and interpretation of new geophysical and geochemical data and/or drilling activities during the first three years of new permits obtained from re-released areas. The Company has already provided for it's share in the aforesaid amount, to the extent of A$ 1.58 million i.e. Rs. 62.08 million.

C. Incorporated Jointly Controlled Entities :

a) VB (Brasil) Petroleo Private Limitada ("VB Brasil") is a 50 : 50 joint venture company incorporated in Brazil with Bharat PetroResources Limited ("BPRL"), a wholly owned subsidiary of Bharat Petroleum Corporation Ltd. VB Brasil in turn holds 100% equity in IBV Brasil Petroleo Limitada (IBV) (formerly EnCana Brasil Petroleo Limitada). IBV has interests in four concessions with ten deep water offshore exploration blocks in Brazil. Petroleo Brasiliero S.A., is the operator in three of the four concessions whereas Anadarko Corporation U.S.A. through its Brazilian subsidiary is the operator in one concession. The pre-salt exploration programme is continuing in the deep water Campos and Espirito Santos basins, with a pre-salt discovery at the Wahoo prospect, offshore Brazil in the Campos Basin. The Capital commitment of the Company for next year based on minimum work program is Rs. 3,316.76 million.

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 and has no Capital commitments as on the Balance Sheet date.

c) The financial interest of the Company in the jointly controlled incorporated entities based on audited/unaudited financial statement received from these Joint Venture entities are as under:

(Rs. in Million)

Company's share in	30th Sept., 2009	30th Sept., 2008
Assets	**9,811.40**	6,988.27
Liabilities	**9,730.72**	7,303.77
Other Income	**570.52**	-
Expenses	**68.09**	339.10
Tax	**143.09**	-

11. The Company has kept the investment activities separate and distinct from the normal business. Consequently, all the income and expenditure pertaining to investment activities have been allocated to the Investments & Securities division and the income/(loss) after netting of the related expenditure has been shown as "Income/(Loss) from Investments & Securities Division" under "Other Income" which includes in respect of the long term investment dividend of Rs. 7.58 million (Previous year Rs. 9.88 million), gain on sale Rs. 597.60 million (Previous year Rs. 78.66 million) interest/premium on debentures/bonds Rs. 10.71 million (Previous year Rs. 3.18 million) and in respect of current Investments, dividend of Rs. 0.20 million (Previous year Rs. 2.56 million)

(Rs. in Million)

	Year ended 30th Sept., 2009	Year ended 30th Sept., 2008
12. Earnings Per Share:		
i) Net Profit attributable to Equity Shareholders		
Net Profit as per Profit and Loss Account	**4,006.62**	8,542.95
Add : Excess provision of Income Tax for earlier years written back	**736.82**	7.32
Less : Short provision of Fringe Benefit Tax	**-**	0.17
	4,743.44	8,550.10
Less : Dividend on Preference Shares including Tax on the same	**43.06**	43.06
Net Profit attributable to Equity Shareholders	**4,700.38**	8,507.04
Add : Changes (net)	**266.42**	246.69
Adjusted Net Profit for Diluted EPS	**4,966.80**	8,753.73
ii) Weighted Average number of Equity Shares for Basic EPS	**229,406,816**	227,224,997
Weighted Average number of Equity Shares for Diluted EPS	**255,062,493**	238,903,247
iii) Basic Earnings per Share	**Rs. 20.49**	Rs. 37.44
Diluted Earnings per Share	**Rs. 19.47**	Rs. 36.64
iv) Reconciliation of weighted average numbers of Equity Shares outstanding during the period		
For Basic Earnings per Share	**229,406,816**	227,224,997
Add : Adjustment for diluted EPS	**25,655,677**	11,678,250
For Diluted Earnings per Share	**255,062,493**	238,903,247

13. Employee Benefits:

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

I) Defined Contribution Plans :

Amount of Rs. 117.00 million (Previous year Rs. 89.11 million) is recognised as an expense and shown under the head "Salary, Wages and Employees' Benefits" (Schedule 12) in the Profit and Loss Account.

II) Defined Benefit Plans :

(Rs. in Million)

	Gratuity		Leave Encashment	
	30th Sept., 2009	30th Sept., 2008	**30th Sept., 2009**	30th Sept., 2008
a) The amounts recognised in the Balance Sheet as at the end of the year				
1. Present Value of Defined Benefit Obligation	**106.59**	79.46	**36.00**	31.28
2. Fair value of Plan Assets	**43.60**	34.37	**-**	-
3. Funded Status – Surplus/(Deficit)	**(62.99)**	(45.09)	**(36.00)**	(31.28)
4. Net Assets/(Liability)	**(62.99)**	(45.09)	**(36.00)**	(31.28)
b) The amounts recognised in Profit and Loss Account for the year				
1. Current Service Cost	**18.01**	8.71	**11.16**	6.68
2. Interest Cost	**6.74**	5.92	**2.46**	2.37
3. Actuarial (Gains)/Losses	**17.72**	4.06	**2.84**	5.21
4. Actual Return on Plan Assets	**4.91**	3.08	**-**	-
5. Total expenses	**37.56**	15.61	**16.46**	14.26
c) The changes in Obligations during the year				
1. Present value of Defined Benefit Obligation at the beginning of the year	**79.46**	71.92	**31.28**	29.09
2. Current Service Cost	**18.01**	8.71	**11.16**	6.68
3. Interest Cost	**6.74**	5.92	**2.46**	2.37
4. Actuarial (Gains)/Losses	**17.72**	4.06	**2.84**	5.21
5. Benefit Payments	**15.34**	11.15	**11.74**	12.07
6. Present value of Defined Benefit Obligation at the end of the year	**106.59**	79.46	**36.00**	31.28
d) The changes in Plan Assets during the year				
1. Plan Assets at the beginning of the year	**34.37**	31.16	**-**	-
2. Contribution by Employer	**9.21**	9.36	**-**	-
3. Actual Benefit paid	**4.89**	9.23	**-**	-
4. Plan Assets at the end of the year	**43.60**	34.37	**-**	-
5. Actual return on Plan Assets	**4.91**	3.08	**-**	-

Actuarial assumptions:

i. Discount Rate	8% per annum
ii. Mortality	L.I.C. (1994-96) Ultimate
iii. Turnover Rate	1 % per annum
iv. Future Salary Increase	5 % per annum

The above information is certified by Actuary.

14. a) 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.

b) The Financial Institutions have a right to convert at their option, the whole or a part of outstanding amount of Preference Shares, into fully paid up equity shares of the Company as per SEBI guidelines, on default in payment of dividend or a default in redemption of Preference Shares or any combination thereof.

15. The Balances of some of the Debtors, Creditors, Deposits, Advances and Other Current Assets are subject to confirmation.

16. During the year, the Company has forfeited and cancelled 43,948 shares (Previous year Nil) issued on amalgamation of erstwhile Videocon International Ltd., due to non receipt of allotment and/or call money from shareholders. The amount paid-up on these shares amounting to Rs. 2.72 million has been transferred to Capital Reserve.

17. 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.

(Rs. in Million)

	Year ended 30th Sept., 2009	Year ended 30th Sept., 2008
18. Auditors' Remuneration: (Including Service Tax)		
a) Audit Fees	**6.56**	6.18
b) Tax Audit Fees	**1.54**	1.52
c) Out of Pocket Expenses	**0.20**	0.18
d) Other Services	**3.09**	2.92
	11.39	10.80

(Rs. in Million)

		As at 30th Sept., 2009	As at 30th Sept., 2008
19.	**Disclosures under Micro, Small and Medium Enterprises Development Act, 2006**		
a)	Principal amount remaining unpaid to any suppliers as at the end of each accounting year	**0.15**	0.09
b)	Interest due thereon remaining unpaid to any supplier as at the end of each accounting year	**0.00**	0.00
c)	The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	**0.01**	Nil
d)	The amount of interest due and payable for the period of delay in making payment	**0.00**	0.00
e)	The amount of interest accrued and remaining unpaid at the end of each accounting year	**0.00**	0.00
f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	**Nil**	Nil

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

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

21. 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 :

i) Subsidiary Companies :

- Datacom Telecommunications Private Limited (Subsidiary of Videocon Telecommunications Limited)
- Eagle ECorp Limited
- Godavari Consumer Electronics Appliances Private Limited
- Investcon Singapore Holdings Limited [Subsidiary of Videocon (Mauritius) Infrastructure Ventures Limited] (Upto 7th January, 2009)
- Jumbo Techno Services Private Limited (Subsidiary of Videocon International Electronics Limited) (w.e.f. 22nd September, 2009)
- Mayur Household Electronics Appliances Private Limited
- Middle East Appliances LLC
- Paramount Global Limited
- Pipavav Energy Private Limited
- Powerking Corporation Limited
- Senior Consulting Private Limited (Subsidiary of Videocon International Electronics Limited (w.e.f. 18th September, 2009)
- Sky Billion Trading Limited
- Venus Corporation Limited
- Videocon Display Research Co. Limited
- Videocon Electronics (Shenzhen) Limited (Chinese Name - Wei You Kang Electronic (Shenzhen) Co. Limited)
- Videocon Energy Brazil Limited (Formerly Videocon Global Energy Holdings Limited)
- Videocon Energy Ventures Limited
- Videocon Global Limited
- Videocon Indonesia Nunukan Inc. (w.e.f. 5th August, 2009)
- Videocon International Electronics Limited
- Videocon JPDA 06-103 Limited (Formerly Global Energy Inc.)
- Videocon (Mauritius) Infrastructure Ventures Limited (Upto 7th January, 2009)
- Videocon Mozambique Rovuma 1 Limited (Formerly Videocon Energy Resources Limited)
- Videocon Oman 56 Limited (Formerly Videocon Hydrocarbon Holdings Ltd.) (Subsidiary of Videocon Energy Ventures Limited)
- Videocon Telecommunications Limited (Formerly Datacom Solutions Ltd.) (Subsidiary of Videocon International Electronics Limited)

ii) Associates and Joint Ventures :

- Ravva Oil & Gas Field Joint Venture-Participating Interest 25%
- WA-388-P Joint Venture-Participating Interest 14%
- EPP27 Joint Venture-Participating Interest 20%
- Block 56 Oman Joint Venture - Participating interest 25%
- VB (Brasil) Petroleo Private Ltda. - Joint Venture - 50%
- IBV Brasil Petroleo Limitada (Subsidiary of VB (Brasil) Petroleo Private Ltda.)
- Videocon Infinity Infrastructure Private Limited - Joint Venture - 50%
- Goa Energy Pvt. Ltd. - (Associate w.e.f. 27th October, 2008)

iii) Key Management Personnel:

- Mr. Venugopal N. Dhoot - Chairman & Managing Director
- Mr. Pradipkumar N. Dhoot - Whole Time Director
- Mr. K. R. Kim - Chief Executive Officer
- Mr. P. K. Gupta - Vice President
- Mr. Amit Gupta - Vice President
- Mr. Shekhar Jyoti - Vice President

b) Transactions/outstanding balances with Related Parties :

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

(Rs. in Million)

Nature of Transaction	Subsidiary Companies	Associates/ Joint Venture	Key Management Personnel
Sale of Goods	**4,873.31** (22,151.06)		
Purchase of Goods	**1.11** (207.09)		
Interest Recovered	**2,326.54** (Nil)		
Investments	**20,348.85** (1,683.05)	**Nil** (24.37)	
Advances/Loans given	**18,007.78** (17,697.06)	**341.50** (0.05)	
Refund of Advances/Loans given	**8,690.07** (Nil)		
Advances/Loans Received	**Nil** (1.29)		
Transaction with Joint Venture - Contribution towards share of expenditure		**786.39** (2,167.16)	
Remuneration			**52.86** (24.93)
Outstanding as at 30th September, 2009			
Trade Receivables	**961.47** (4,785.26)		
Advances/Loans given	**28,481.09** (19,164.67)	**410.93** (0.05)	
Advances/Loans Received	**Nil** (1.29)		
Investments/Share Application Money	**22,972.99** (2,624.14)	**24.37** (24.37)	
Payable to Unincorporated Joint Venture		**1.57** (3.86)	

c) Material transactions with Related Party during the year are : Sales to Mayur Household Electronic Appliances Private Limited Rs. 3,049.01 million (Previous year Rs. 17,638.26 million), Videocon

Telecommunications Limited Rs. 1,331.47 million (Previous year Rs. Nil), Middle East Appliances LLC Rs. 492.83 million (Previous year Rs. 251.28 million); Purchases from Middle East Appliances LLC Rs. 1.11 million (Previous year Rs. 9.84 million); Subscription to Shares (Investments) of Videocon International Electronics Limited Rs. 19,999.50 million (Previous year Rs. 0.50 million); interest from Videocon Telecommunications Limited Rs. 2,326.54 million (Previous year Rs. Nil); Advances/Loans given to Paramount Global Limited Rs. 5,592.70 million (Previous year Rs. 2,774.62 million), Videocon Global Limited Rs. 6,446.48 million (Previous year Rs. Nil), Powerking Corporation Limited Rs. 3,295.96 million (Previous year Rs. Nil), Venus Corporation Limited Rs. 2,205.39 million (Previous year Rs. Nil); Refund of Advances/Loans from Pipavav Energy Private Limited Rs. 1,271.70 million (Previous year Rs. Nil), Videocon Telecommunications Limited Rs. 2,823.98 million (Previous year Rs. Nil), Godavari Consumer Electronics Appliances Private Limited Rs. 4,594.39 million (Previous year Rs. Nil); Contribution towards Share of Expenditure (Joint Venture) to Ravva Oil & Gas field Rs. 590.03 million (Previous year Rs. 1,926.66 million); Share Application Money to Pipavav Energy Private Limited Rs. 1,500.00 million (Previous year Rs. Nil).

22. 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.

23. Loans and Advances in the nature of Loans given to Subsidiaries and Associate etc.

A) Loans and Advances in the nature of Loans:

(Rs. in Million)

Name of the Company		As at 30th Sept., 2009	As at 30th Sept., 2008	Maximum Balance during the year
1. Paramount Global Limited	Subsidiary	**9,834.93**	4,242.23	9,834.93
2. Pipavav Energy Private Limited	Subsidiary	**585.02**	1,856.72	1,856.72
3. Sky Billion Trading Limited	Subsidiary	**12.37**	-	12.37
4. Videocon Global Limited	Subsidiary	**6,445.19**	-	6,445.19
5. Powerking Corporation Limited	Subsidiary	**3,295.96**	-	3,295.96
6. Venus Corporation Limited	Subsidiary	**2,205.39**	-	2,205.39
7. Videocon Electronic (Shenzhen) Limited	Subsidiary	**23.60**	-	23.60
8. Videocon Telecommunications Limited (Formerly Datacom Solutions Ltd.)	Subsidiary	**5,647.34**	8,471.33	9,724.53
9. Videocon JPDA 06-103 Limited (Formerly Global Energy Inc.)	Subsidiary	**305.31**	-	305.31
10. Videocon Energy Resources Ltd.	Subsidiary	**121.18**	-	121.18
11. Videocon Energy Brazil Limited (Formerly Videocon Global Energy Holdings Limited)	Subsidiary	**4.80**	-	4.80
12. Godavari Consumer Electronics Appliances Private Limited	Subsidiary	**-**	4,594.39	4,594.39

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.

24. Reserves :

Share of the Company in Ravva Oil & Gas field (Unincorporated) Joint Venture remaining reserves on proved and probable basis (as per Operator's estimates)

Particulars	Unit of measurement	As at 30th Sept., 2009	As at 30th Sept., 2008
Crude Oil	Million Metric Tonnes	**1.45**	1.89
Natural Gas	Million Cubic Metres	**338.95**	419.69

25. Hitherto, the Company was following the "successful efforts" method of accounting in respect of oil and natural gas exploration, development and producing activities. During the year the Company has changed the method of accounting for such activities from "successful efforts" method to "full cost" method.

These activities are carried out in diverse locations, using various techniques. All costs incurred at any time and at any place in a cost centre in an attempt to add commercial reserves are an essential part of the cost of any reserves added in the cost centre. As a result they are directly associated with the enterprise's reserves in that centre and all the costs should be treated as part of the cost of the mineral assets in the cost centre. The 'full cost' method of accounting, in respect of such activities, provides better matching of income and expenses, if total costs are depreciated on pro-rata basis as the reserves in large cost centres are produced. Further, oil and gas reserves are similar to long term inventory item. Under the full cost method the annual distortions of income resulting from expensing the charges for unsuccessful pre-production activities are eliminated whereas the successful efforts method of accounting assesses success or failure too early in a project and is likely to result in an understatement of assets and net income of a growing enterprise.

In view of the above and considering the characteristics of the participating interests of the Company in joint ventures for oil and gas exploration and production in large cost centres, either directly or indirectly through subsidiaries, it has been advised to the Company that the full cost method will be more appropriate, as it provides better matching of income and expenses.

Consequent to the above change, there is no material impact on the financial statements for the year. The 'Production and Exploration Expenses – Oil and Gas' are lower by Rs. 4.68 million and the net profit for the year, Reserves & Surplus and Capital Work-in-Progress are higher by the said amount.

26. 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 provisions are as follows :

(Rs. in Million)

	Warranty and Maintenance Expenses	
	Year ended 30th Sept., 2009	Year ended 30th Sept., 2008
a) Amount at the beginning of the year	**401.11**	380.64
b) Additional provision made during the year	**528.47**	392.01
c) Amount used	**310.85**	371.54
d) Amount at the end of the year	**618.73**	401.11

	Unit	Year ended 30th Sept., 2009 Quantity	Year ended 30th Sept., 2009 Rs. in Million	Year ended 30th Sept., 2008 Quantity	Year ended 30th Sept., 2008 Rs. in Million
27. Additional Information pursuant to the provisions of paragraphs 3, 4C, 4D of Part II of Schedule VI to the Companies Act,1956.					
QUANTITATIVE INFORMATION :					
I. Production:					
(Including Goods Manufactured through third parties and excluding goods manufactured for others on job basis)					
a) Crude Oil	**MT**	**449,136**		529,099	
b) Natural Gas	**Cu. Mtr**	**157,136,861**		209,294,447	
c) TV Sets including Assemblies and Sub-Assemblies thereof and Glass Shells	**Nos.**	**34,282,054**		34,139,422	
d) Audio, Video and other Electrical and Electronic Appliances, including Assemblies and Sub-Assemblies thereof	**Nos.**	**5,831,653**		5,532,776	
e) Air Conditioners	**Nos.**	**427,267**		399,106	
II. Stocks of Finished Goods at Close:					
a) Crude Oil	**MT**	**6,526**	**24.61**	9,505	37.66
b) Natural Gas	**Cu. Mtr**	**-**	**-**	-	-
c) TV Sets including Assemblies and Sub-Assemblies thereof and Glass Shells	**Nos.**	**1,635,554**	**1,874.56**	1,490,537	1,755.63

		Unit	Year ended 30th Sept., 2009 Quantity	Year ended 30th Sept., 2009 Rs. in Million	Year ended 30th Sept., 2008 Quantity	Year ended 30th Sept., 2008 Rs. in Million
	d) Audio, Video and other Electrical and Electronic Appliances, including Assemblies and Sub-Assemblies thereof	Nos.	**341,099**	**1,410.28**	317,209	1,305.06
	e) Air Conditioners	Nos.	**26,173**	**293.35**	36,568	409.31
	TOTAL			**3,602.80**		3,507.66
III.	Stocks of Finished Goods at Beginning :					
	a) Crude Oil	MT	**9,505**	**37.66**	19,342	88.43
	b) Natural Gas	Cu. Mtr.	**-**	**-**	-	-
	c) TV Sets including Assemblies and Sub-Assemblies thereof and Glass Shells	Nos.	**1,490,537**	**1,755.63**	985,691	1,483.76
	d) Audio, Video and other Electrical and Electronic Appliances, including Assemblies and Sub-Assemblies thereof	Nos.	**317,209**	**1,305.06**	238,247	1,173.25
	e) Air Conditioners	Nos.	**36,568**	**409.31**	39,072	515.88
	TOTAL			**3,507.66**		3,261.32
IV.	Sales/Services Rendered (Including Duty Drawback and Cash Compensatory support)					
	a) Crude Oil	MT	**452,115**	**9,688.82**	538,936	18,002.11
	b) Natural Gas	Cu. Mtr.	**141,657,384**	**936.67**	190,834,898	1,073.89
	c) TV Sets including Assemblies and Sub-Assemblies thereof and Glass Shells	Nos.	**34,137,037**	**52,101.60**	33,634,576	51,494.84
	d) Audio, Video and other Electrical and Electronic Appliances, including Assemblies and Sub-Assemblies thereof	Nos.	**5,807,763**	**23,891.31**	5,453,814	23,711.97
	e) Air Conditioners	Nos.	**437,662**	**6,712.61**	401,610	6,320.13
	f) Other Sales and Service Income			**481.67**		448.34
	TOTAL			**93,812.69**		101,051.28
V.	Flared/ Consumed/ Normal Loss					
	a) Natural Gas	Cu. Mtr.	**15,479,477**		18,459,549	
VI.	Raw Material Components and Spares Consumption including for products manufactured through third parties					
	a) Printed Circuit Board (All types)	Nos.	**9,106,290**	**6,682.62**	8,929,193	6,251.03
	b) Active & Passive Components */**			**17,043.74**		16,004.20
	c) Plastic and Wooden Parts	Nos.	**10,200,803**	**23,017.17**	10,053,448	21,598.00
	d) Other Raw Materials **			**9,524.90**		9,080.22
	TOTAL			**56,268.43**		52,933.45

* Inclusive of job charges paid

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

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

		Year ended 30th Sept., 2009 Percentage	Year ended 30th Sept., 2009 Rs. in Million	Year ended 30th Sept., 2008 Percentage	Year ended 30th Sept., 2008 Rs. in Million
VII.	Value of Imported and Indigenous Raw Materials, Components and Spares Consumed				
	a) Imported	**19.95**	**11,225.64**	20.23	10,708.73
	b) Indigenous	**80.05**	**45,042.79**	79.77	42,224.72
	TOTAL		**56,268.43**		52,933.45

		Year ended 30th Sept., 2009 Rs. in Million	Year ended 30th Sept., 2008 Rs. in Million
VIII.	C.I.F. Value of Imports, Expenditure and Earnings in Foreign Exchange :		
	a) C.I.F. Value of Imports:		
	Raw Materials	**11,093.45**	11,411.61
	Capital Goods (including advances)	**1,765.76**	217.88
	b) Expenditure incurred in Foreign Currency : (on payment basis)		
	Cash Call paid to the Operator for the project	**496.54**	1,751.23
	Interest & Bank Charges	**436.49**	478.45
	Royalty	**66.17**	69.52
	Travelling	**30.40**	28.15
	Dividend - 1,200 shareholders holding 39,565,428 shares (Previous year – 874 shareholders holding 39,964,109 shares)	**39.57**	139.87
	Others	**33.63**	16.91
	c) Other Earnings/Receipts in Foreign Currency :		
	F.O.B. Value of Exports (on receipt basis)	**5,224.28**	6,077.34
	Interest	**1.96**	3.43

28. Figures in respect of previous year have been regrouped and recasted wherever necessary to make them comparable with those of current year.

29. Balance Sheet Abstract and Company's General Business Profile:

I.	**Registration Details**	
	Registration No.	103624
	Balance Sheet Date	30.09.2009
	State Code	11
II.	**Capital Raised During the year (Amounts Rs. in Thousand)**	
	Public Issue	-
	Rights Issue	-
	Bonus Issue	-
	Private Placement	-
	Share Application Money	950,013
III.	**Position of Mobilisation and Deployment of Funds (Amounts Rs. in Thousand)**	
	Total Liabilities	168,969,268
	Total Assets	168,969,268
	Sources of Funds	
	Paid-up Capital	2,754,154
	Reserves and Surplus	69,296,251
	Share Application Money Pending Allotment / Warrant Subscription	950,013
	Deferred Tax Liability (Net)	5,123,379
	Secured Loans	67,350,365
	Unsecured Loans	23,495,106
	Application of Funds	
	Net Fixed Assets	60,202,733
	Investments	30,648,993
	Net Current Assets	78,117,542
IV.	**Performance of Company (Amounts Rs. in Thousand)**	
	Turnover	91,970,555
	Total Expenditure	86,187,121
	Profit Before Tax	5,783,434
	Profit After Tax	4,006,616
	Earnings Per Share in Rs.	20.49
	Dividend Rate %	20%
V.	**Generic Names of Three Principal Products of the Company**	
	(As per monetary terms)	
	a) Item Code No. (ITC Code)	2709.00
	Product Description	Crude Oil and Natural Gas
	b) Item Code No. (ITC Code)	8528.00
	Product Description	Television
	c) Item Code No. (ITC Code)	8418.00
	Product Description	Glass Shell Panels & Funnels for C.P.T.

As per our report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No.104180

For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner
Membership No. 31055

Place : Mumbai
Date : 15th February, 2010

For and on behalf of the Board

V. N. DHOOT
Chairman and Managing Director

S. PADMANABHAN
Director

VINOD KUMAR BOHRA
Company Secretary

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

(Rs.in Million)

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment (Except in the subsidiaries)	Turnover/ Total Income	Profit Before Tax	Provision For Tax (net of write back)	Profit After Tax	Proposed Dividend	Country
1	Datacom Telecommunications Pvt. Ltd.	INR	1.00	0.50	-	0.51	0.01	-	-	-	-	-	-	INDIA
2	Eagle ECorp Ltd.	USD	48.47	0.48	346.81	347.30	0.01	-	1,222.86	347.01	-	347.01		BRITISH VIRGIN ISLAND
3	Godavari Consumer Electronics Appliances Pvt.Ltd.	INR	1.00	0.10	3.54	325.70	322.06	-	1,190.75	(321.53)	99.30	(222.23)	-	INDIA
4	Jumbo Techno Services Pvt. Ltd.	INR	1.00	1,000.00	1,222.52	2,260.25	37.73	-	-	(2.93)	-	(2.93)	-	INDIA
5	Mayur Household Electronics Appliances Pvt.Ltd.	INR	1.00	0.10	11.07	511.25	500.08	-	6,712.62	(499.31)	155.61	(343.70)	-	INDIA
6	Middle East Appliances LLc	RO	126.35	398.53	(327.91)	850.53	779.91	-	955.92	(164.74)	-	(164.74)	-	SULTANATE OF OMAN
7	Paramount Global Ltd.	USD	48.47	620.42	(586.46)	15,128.06	15,094.10	184.19	972.04	(73.46)	-	(73.46)	-	HONGKONG
8	Pipavav Energy Pvt.Ltd.	INR	1.00	0.10	(0.65)	2,085.94	2,086.49	-	0.06	(0.65)	-	(0.65)	-	INDIA
9	Powerking Corporation Ltd.	USD	48.47	0.13	250.25	4,263.70	4,013.32	-	1,790.83	434.82	-	434.82	-	CAYMAN ISLAND
10	Senior Consulting Pvt. Ltd.	INR	1.00	10.00	-	1,388.82	1,378.82	-	-	-	-	-	-	INDIA
11	Sky Billion Trading Ltd.	USD	48.47	51.96	(311.67)	3,892.47	4,152.18	-	2,495.78	(63.34)	-	(63.34)	-	HONGKONG
12	Venus Corporation Ltd.	USD	48.47	0.14	85.02	3,269.47	3,184.31	-	1,478.40	424.07	-	424.07	-	CAYMAN ISLAND
13	Videocon Display Research Co. Ltd.	JPY	0.5429	32.57	(51.06)	147.31	165.80	-	459.57	(41.71)	(7.63)	(49.34)	-	JAPAN
14	Videocon Energy Brazil Ltd. (Formerly Videocon Global Energy Holdings Ltd.)	USD	48.47	0.05	(698.14)	10,297.92	10,996.01	-	42.73	(686.04)	-	(686.04)		BRITISH VIRGIN ISLAND
15	Videocon Energy Ventures Ltd.	USD	48.47	0.05	(0.19)	1.42	1.56	-	-	(0.18)	-	(0.18)	-	BRITISH VIRGIN ISLAND
16	Videocon Global Ltd.	USD	48.47	0.12	2,267.98	14,627.18	12,359.08	-	2,093.89	668.58	-	668.58	-	BRITISH VIRGIN ISLAND
17	Videocon Indonesia Nunukan Inc	USD	48.47	0.05	(0.37)	0.05	0.37		-	(0.37)	-	(0.37)		CAYMAN ISLAND
18	Videocon International Electronics Ltd.	INR	1.00	20,000.00	(144.48)	22,904.62	3,049.10	-	-	(143.72)	-	(143.72)	-	INDIA
19	Videocon Mozambique Rovuma 1 Ltd. (Formerly Videocon Energy Resources Ltd.)	USD	48.47	0.48	(7.17)	2,133.16	2,139.85	-	0.03	(5.19)	-	(5.19)		BRITISH VIRGIN ISLAND
20	Videocon Oman 56 Ltd. (Formerly Videocon Hydrocarbon Holdings Ltd.)	USD	48.47	0.05	(58.04)	1.06	59.05	-	-	(43.52)	-	(43.52)	-	BRITISH VIRGIN ISLAND
21	Videocon JPDA 06-103 Ltd. (Formrly Global Energy Inc)	USD	48.47	0.05	(305.78)	409.24	714.97	-	0.02	(0.23)	-	(0.23)	-	CAYMAN ISLAND
22	Videocon Telecommunications Ltd. (Formerly Datacom Solutions Ltd.)	INR	1.00	5,400.00	-	29,464.17	24,064.17	-	-	-	-	-	-	INDIA
23	Videocon Electronic (Shenzhen) Limited [Chinese name Wei You Kang Electronic (Shenzhen) Co.Ltd].	CNY	7.11	6.54	(33.26)	0.00	26.72	-	0.02	(33.27)	-	(33.27)	-	CHINA

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To

The Board of Directors

VIDEOCON INDUSTRIES LIMITED

We have audited the attached Consolidated Balance Sheet of Videocon Industries Limited (the Company) and its subsidiaries as at 30th September, 2009 and the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's management and have been prepared by them on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting frame work and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not jointly audit the financial statements of certain Subsidiaries and Joint Ventures, whose financial statements reflect total assets of Rs. 59,238.08 million as at 30th September, 2009, total revenues of Rs.17,131.08 million and cash flows amounting Rs. 8,633.29 million for the year ended on that date. These financial statements have been audited by either of us singly or by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these entities, is based solely on the reports of those respective auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standard (AS) 21 on "Consolidated Financial Statements", Accounting Standard (AS) 23 on "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures" issued by The Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company, and its subsidiaries included in Consolidated Financial Statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit report on individual audited financial statements of the Company, its Joint Ventures and its subsidiaries, we are of the opinion that the attached consolidated financial statements, read with the notes and the significant accounting policies thereon, 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 as at 30th September, 2009;

b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiaries for the year 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 for the year ended on that date.

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No. 104180
Firm Registration No. 105049W

For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner
Membership No. 31055
Firm Registration No. 104524W

Place : Mumbai
Date : 15th February, 2010

CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER, 2009

	Particulars	Schedule No.		As at 30th Sept., 2009 (Rs. in Million)	As at 30th Sept., 2008 (Rs. In Million)
I.	**SOURCES OF FUNDS**				
1.	**Shareholders' Funds**				
	a) Share Capital	1		**2,754.16**	2,753.11
	b) Reserves & Surplus	2		**70,137.16**	66,004.40
2.	**Minority Interest**			**0.46**	540.00
3.	**Share Application Money Pending Allotment/ Warrant Subscription**			**950.01**	8,022.49
4.	**Deferred Tax Liability (Net)**			**5,123.42**	4,237.77
5.	**Loan Funds**				
	a) Secured Loans	3		**97,097.80**	77,014.12
	b) Unsecured Loans	4		**23,577.83**	36,378.09
	TOTAL			**199,640.84**	194,949.98
II.	**APPLICATION OF FUNDS**				
1.	**Fixed Assets**	5			
	a) Gross Block		**144,562.05**		132,884.96
	b) Less : Depreciation, Amortisation and Impairment		**43,363.48**		43,328.48
	c) Net Block			**101,198.57**	89,556.48
2.	**Pre-Operative Expenditure Pending Allocation**			**6,433.86**	1,292.32
3.	**Investments**	6		**7,876.92**	24,528.42
4.	**Goodwill on Consolidation**			**130.53**	103.79
5.	**Current Assets, Loans and Advances**	7			
	a) Inventories		**18,001.87**		16,048.24
	b) Sundry Debtors		**18,187.13**		17,685.26
	c) Cash and Bank Balances		**9,358.83**		16,205.40
	d) Other Current Assets		**405.60**		240.73
	e) Loans and Advances		**53,554.11**		42,565.98
			99,507.54		92,745.61
	Less: Current Liabilities and Provisions	8			
	a) Current Liabilities		**14,100.56**		11,498.34
	b) Provisions		**1,406.11**		1,778.30
			15,506.67		13,276.64
	Net Current Assets			**84,000.87**	79,468.97
	Miscellaneous Expenditure (To the extent not written off or adjusted)			**0.09**	-
	Significant Accounting Policies and Notes to Accounts	15			
	TOTAL			**199,640.84**	194,949.98

As per our report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No.104180

Place : Mumbai
Date : 15th February, 2010

For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner
Membership No. 31055

For and on behalf of the Board

V. N. DHOOT
Chairman and Managing Director

S. PADMANABHAN
Director

VINOD KUMAR BOHRA
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 30TH SEPTEMBER, 2009

	Particulars	Schedule No.	Year ended on 30th Sept., 2009 (Rs. in Million)	Year ended on 30th Sept., 2008 (Rs. in Million)
I.	**INCOME**			
	Sales/Income from Operations		**106,737.29**	122,370.52
	Less : Excise Duty		**2,182.28**	3,514.73
	Net Sales		**104,555.01**	118,855.79
	Other Income	9	**1,029.15**	952.79
	TOTAL		**105,584.16**	119,808.58
II.	**EXPENDITURE**			
	Cost of Goods Consumed/Sold	10	**66,984.14**	65,590.35
	Production and Exploration Expenses - Oil and Gas	11	**7,206.86**	12,637.99
	Salaries, Wages and Employees' Benefits	12	**1,749.99**	4,179.59
	Manufacturing and Other Expenses	13	**10,192.74**	11,468.71
	Interest and Finance Charges	14	**7,478.20**	5,326.04
	Depreciation, Amortisation and Impairment	5	**5,887.57**	8,340.06
	Less : Transferred from Revaluation Reserve		**-**	535.15
			5,887.57	7,804.91
	TOTAL		**99,499.50**	107,007.59
III.	**PROFIT BEFORE EXCEPTIONAL ITEMS AND TAXATION**		**6,084.66**	12,800.99
	Less : Exceptional Items		**-**	1,278.10
	Add : Share of Profit in Associate Company		**-**	50.80
	Add : Adjustment on Disposal/Cessation of Subsidiaries/Associates		**2.44**	2,880.45
	Provision for Taxation			
	Current Tax		**1,024.29**	1,616.84
	Deferred Tax		**886.62**	1,765.02
	Fringe Benefit Tax		**16.53**	22.93
IV.	**PROFIT BEFORE MINORITY INTEREST**		**4,159.66**	11,049.35
	Add/(Less) : Minority Interest		**0.03**	(60.04)
V.	**PROFIT FOR THE YEAR**		**4,159.69**	10,989.31
	Add : Excess provision for Income Tax for earlier years written back		**991.63**	7.32
	Less : Short provision for Fringe Benefit Tax for earlier years		**-**	0.17
	Balance brought forward		**20,771.97**	12,222.09
VI.	**BALANCE AVAILABLE FOR APPROPRIATION**		**25,923.29**	23,218.55
VII.	**APPROPRIATIONS**			
	Proposed Dividend - Equity		**462.53**	229.45
	Proposed Dividend - Preference		**36.81**	36.81
	Corporate Tax on Proposed Dividend		**84.86**	45.25
	Dividend and Dividend Tax Paid for Earlier Period		**-**	0.07
	Transfer to Debenture/Bond Redemption Reserve		**1,340.74**	135.00
	Transfer to General Reserve		**1,000.00**	2,000.00
	Balance Carried to Balance Sheet		**22,998.35**	20,771.97
	TOTAL		**25,923.29**	23,218.55
	Basic Earnings per Share		**Rs. 22.27**	Rs. 48.21
	Diluted Earnings per Share		**Rs. 21.07**	Rs. 46.88
	(Nominal Value per Share Rs.10/-) (Refer Note No. C-8 of Schedule No. 15)			
	Significant Accounting Policies and Notes to Accounts	15		

As per our report of even date

For and on behalf of the Board

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No.104180

For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner
Membership No. 31055

V. N. DHOOT
Chairman and Managing Director

S. PADMANABHAN
Director

VINOD KUMAR BOHRA
Company Secretary

Place : Mumbai
Date : 15th February, 2010

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 30TH SEPTEMBER, 2009

	Particulars		Year ended on 30th Sept., 2009 (Rs. in Million)	Year ended on 30th Sept., 2008 (Rs. in Million)
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net Profit before Tax and Exceptional Items		**6,084.66**	12,800.99
	a) Depreciation, Amortisation and Impairment		**5,887.57**	7,804.91
	b) Interest and Finance Charges		**7,478.20**	5,326.04
	c) Provision for Retirement Benefits and Leave Encashment		**26.17**	(1,086.65)
	d) Provision for Warranty and Maintenance Expenses		**217.62**	(4.38)
	e) Provision for Restructuring Cost		**-**	(79.89)
	f) Provision for Contingencies/Other provisions		**-**	(72.45)
	g) Provision for Exchange Rate Fluctuation		**-**	(1,023.91)
	h) Diminution/(Written back) in value of Investments		**(53.15)**	640.16
	i) Share of Profit in Associate company		**-**	50.80
	j) Minority Interest for the year		**0.03**	(60.04)
	k) Interest Received		**(662.48)**	(900.18)
	l) (Income)/Loss from Investments and Securities Division		**4.76**	(116.65)
	m) Exceptional Items		**-**	(1,278.10)
	n) (Profit)/Loss on Sale of Fixed Asset		**100.61**	(146.36)
	Cash flow from Operating Activities before Working Capital changes		**19,083.99**	21,854.29
	Adjustments:			
	a) Inventories		**(1,953.63)**	5,314.35
	b) Sundry Debtors		**(501.87)**	8,410.11
	c) Other Current Assets		**(164.87)**	(13.67)
	d) Loans and Advances		**(10,988.25)**	(20,682.16)
	e) Current Liabilities		**2,604.55**	(10,894.62)
	Cash flow from Operating Activities		**8,079.92**	3,988.30
	Less: Income Tax Paid		**921.34**	1,113.44
	Less: Fringe Benefit Tax Paid		**16.41**	23.26
	Net Cash flow from Operating Activities	**(A)**	**7,142.17**	2,851.60
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Sale of Fixed Assets/Adjustment on account of disposal/cessation of subsidiaries (Net)		**3,219.98**	16,780.14
	Adjustment on Account of Producing Properties		**74.12**	550.19
	Interest Received		**662.48**	900.18
	Adjustment on Disposal of Subsidiaries		**2.44**	2,880.45
	Income/(Loss) from Investments and Securities Division		**(4.76)**	116.65
	(Increase) in Fixed Assets including Captial Work-in-Progress		**(20,919.27)**	(38,683.14)
	(Increase) in Pre-Operative Expenditure pending Allocation		**(5,141.54)**	(1,292.32)
	(Increase) in Miscellaneous Expenditure		**(0.09)**	-
	(Increase) in Producing Properties		**(5.10)**	(1,255.66)
	(Increase)/Decrease in Goodwill		**(26.74)**	-
	(Purchase)/Sale of Investments (Net)		**16,704.65**	(18,643.46)
	Net Cash flow from Investing Activities	**(B)**	**(5,433.83)**	(38,646.97)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Increase in Equity Share Capital		**1.05**	83.57
	Increase/(Decrease) in Share Application Money		**(7,072.48)**	5,941.03
	Increase/(Decrease) in Minority Interest		**(539.54)**	243.27
	Securities Premium Received		**11.90**	3,770.85
	Forfeited Shares		**2.72**	-
	Increase/(Decrease) in Secured Term Loans from Banks		**19,134.97**	33,838.14
	Increase/(Decrease) in Unsecured Loans		**(13,062.72)**	11,646.04
	Increase/(Decrease) in Working Capital Loans from Banks		**1,702.45**	(806.51)
	Increase/(Decrease) in Foreign Currency Translation Reserve on Consolidation		**(186.51)**	1,258.02
	Increase/(Decrease) in Capital Reserve on Consolidation		**-**	(15,590.36)
	Increase/(Decrease) in Revaluation Reserve - Associate Equity		**-**	(158.54)
	Transfer of Deferred Tax Liabilities on disposal/cessation of subsidiary		**(0.97)**	(17.88)
	Redemption of Secured Non Convertible Debentures		**(753.74)**	(1,107.96)
	Payment of Dividend		**(268.59)**	(842.22)
	Corporate Tax on Dividend		**(45.25)**	(142.80)
	Interest and Finance Charges Paid		**(7,478.20)**	(5,326.04)
	Net Cash flow from Financing Activities	**(C)**	**(8,554.91)**	32,788.61
	Net Change in Cash and Cash Equivalents (A + B + C)		**(6,846.57)**	(3,006.76)
	Opening Balance of Cash and Cash Equivalents		**16,205.40**	19,212.16
	Closing Balance of Cash and Cash Equivalents		**9,358.83**	16,205.40

As per our report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No.104180

For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner
Membership No. 31055

For and on behalf of the Board

V. N. DHOOT
Chairman and Managing Director

S. PADMANABHAN
Director

VINOD KUMAR BOHRA
Company Secretary

Place : Mumbai
Date : 15th February, 2010

SCHEDULES TO BALANCE SHEET

	As at 30th Sept., 2009 (Rs. in Million)	As at 30th Sept., 2008 (Rs. in Million)
SCHEDULE 1 : SHARE CAPITAL		
Authorised :		
500,000,000 (Previous year 500,000,000) Equity Shares of Rs. 10/- each	**5,000.00**	5,000.00
10,000,000 (Previous year 10,000,000) Redeemable Preference Shares of Rs. 100/- each	**1,000.00**	1,000.00
	6,000.00	6,000.00
Issued, Subscribed and Paid-up:		
Equity Shares :		
229,406,816 (Previous year 229,450,764) Equity Shares of Rs. 10/- each fully paid up.	**2,294.07**	2,294.51
Of the above :		
a) 95,078 (Previous year 95,078) Equity Shares of Rs.10/- each have been issued on conversion of Unsecured Optionally Convertible Debentures.		
b) 156,394,378 (Previous year 156,438,326) Equity Shares of Rs.10/- each were allotted pursuant to amalgamations without payments being received in cash.		
c) 45,777,345 (Previous year 45,777,345) Equity Shares of Rs.10/- each were issued by way of Euro issues represented by Global Depository Receipts (GDR) at a price of US$ 10.00 per share (inclusive of premium).		
d) 8,464,515 (Previous year 8,464,515) Equity Shares of Rs.10/- each have been issued on conversion of 86,529 Foreign Currency Convertible Bonds of US$ 1,000 each (inclusive of premium).		
Less : Calls in Arrears - by others	**-**	1.49
(A)	**2,294.07**	2,293.02
Preference Shares :		
a) 4,523,990 (Previous year 4,523,990) 8% Cumulative Redeemable Preference Shares of Rs.100/- each fully paid up, redeemable at par in 3 equal installments on 1st October, 2011, 1st October, 2012 and 1st October, 2013.	**452.40**	452.40
b) 76,870 (Previous year 76,870) 8% Cumulative Redeemable Preference Shares of Rs.100/- each fully paid up, redeemable at par in 3 equal installments on 1st February, 2012, 1st February, 2013 and 1st February, 2014.	**7.69**	7.69
(B)	**460.09**	460.09
TOTAL (A+B)	**2,754.16**	2,753.11
SCHEDULE 2: RESERVES & SURPLUS		
Revaluation Reserve		
As per last Balance Sheet	**-**	693.69
Less : Adjustment for change in Associate's/ Subsidiary's equity	**-**	158.54
Less : Transferred to Profit and Loss Account	**-**	535.15
(A)	**-**	-
Capital Redemption Reserve		
As per last Balance Sheet	**537.50**	537.50
(B)	**537.50**	537.50
Capital Subsidy		
As per last Balance Sheet	**5.50**	5.50
(C)	**5.50**	5.50
Securities Premium Account		
As per last Balance Sheet	**29,088.31**	25,523.96
Add : Addition on Conversion of FCCBs	**-**	3,770.85
Less : Premium payable on Redemption of Convertible Bonds	**262.47**	206.50
Less : Reversal of Premium on Shares Forfeited	**5.00**	-
	28,820.84	29,088.31
Less : Call and/or allotment money in arrears - by others	**-**	16.90
(D)	**28,820.84**	29,071.41
Debenture/Bonds Redemption Reserve		
As per last Balance Sheet	**1,947.50**	1,812.50
Add : Transferred from Profit and Loss Account	**1,340.74**	135.00
(E)	**3,288.24**	1,947.50
Legal Reserve		
As per last Balance Sheet	**0.01**	0.01
Add : Adjustment on Account of Foreign Currency Translation	**0.00**	0.00
(F)	**0.01**	0.01
Capital Reserve		
As per last Balance Sheet	**1.52**	1.52
Add : On Forfeiture of Shares	**2.72**	-
(G)	**4.24**	1.52
Foreign Currency Translation Reserve		
As per last Balance Sheet	**467.51**	(790.51)
Add/(Less) during the year	**(186.51)**	1,258.02
(H)	**281.00**	467.51
General Reserve		
As per last Balance Sheet	**13,201.48**	11,198.61
Add: On account of transitional provisions under Accounting Standard 15	**-**	2.87
Add: Transferred from Profit and Loss Account	**1,000.00**	2,000.00
(I)	**14,201.48**	13,201.48
Profit and Loss Account		
As per Account annexed	**22,998.35**	20,771.97
(J)	**22,998.35**	20,771.97
TOTAL (A to J)	**70,137.16**	66,004.40
SCHEDULE 3 : SECURED LOANS		
A. Non-Convertible Debentures	**494.54**	1,248.28
B. Term Loans from Banks and Financial Institutions	**73,204.03**	59,413.33
C. External Commercial Borrowings	**4,076.33**	4,448.08
D. Corporate Loan from Banks	**-**	1.97
E. Vehicle Loans from Banks	**48.43**	30.71
F. Short Term Loans from Banks	**15,690.27**	9,990.00
G. Working Capital Loans From Banks	**3,584.20**	1,881.75
TOTAL	**97,097.80**	77,014.12

A. Non-Convertible Debentures

Out of the Non-Convertible Debentures, those to the extent of :

i) Rs. 195.18 million (Previous year Rs. 404.45 million) are secured by assignment of / fixed and floating charge on all moneys received/to be received by the Company in relation to and from the Ravva Joint Venture, including all receivables of the Ravva Oil and Gas field, subject to the charge in favour of the Joint Ventures in terms of the Production Sharing Contract/Joint Operating Agreement in respect of Ravva Joint Venture, to the extent necessary.

ii) Rs.194.36 million (Previous year Rs. 302.33 million) are secured by first charge on immovable and movable properties, both present and future, subject to prior charge on specified movables created/to be created in favour of Company's Bankers for securing borrowings for working capital requirements, and ranking *pari passu* with the charge created/to be created in favour of Financial Institutions/Banks in respect of their existing and future financial assistance. Also guaranteed by Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

iii) Rs. 105.00 million (Previous year Rs. 480.00 million) are secured by unconditional and irrevocable guarantee given by IDBI (for principal and interest). The said guarantee assistance, provided by IDBI, is secured by a first charge in favour of the guarantor, of all the immovable properties, both present and future, and a first charge by way of hypothecation of all the movables, present and future, ranking *pari passu* with existing charge holders, subject to charges created / to be created in favour of the Bankers on the specified current assets for securing borrowings for working capital loans. These debentures are also secured by personal guarantee of Mr. Venugopal N. Dhoot.

The Debentures referred above are redeemable at par, in one or more installments on various dates with the earliest redemption being on 15th October, 2009 and last date being 1st January, 2012. These debentures are redeemable as follows: Rs. 364.97 million in financial year 2009-10, Rs. 86.38 million in financial year 2010-11 and Rs. 43.19 million in financial year 2011-12.

B. Term Loans

i) The Term Loans are secured by mortgage of existing and future assets of the Company and a floating charge on all movable assets, present and future except book debts, subject to prior charge of the Bankers on stock of raw materials, finished, semi-finished goods and other movables, for securing working capital loans in the ordinary course of business, and exclusive charge created on specific items of machinery financed by the respective lenders. The above charges rank *pari passu* inter-se for all intents and purposes. The above loans are guaranteed by Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot. A part of loans from banks are secured by the assignment of fixed and floating charge on all moneys received/to be received by the Company in relation to and from the Ravva Joint Venture, including all receivables of the Ravva Oil and Gas field, subject to the extent necessary, to the charge in favour of the Joint Ventures in terms of the Production Sharing Contract/Joint Operating Agreement in respect of Ravva Joint Venture; and the assignment/fixed and floating charge of all the right, title and interest into and under all project documents, including but not limited to all contracts, agreements or arrangements which the Company is a part to, and all leases, licenses, consents, approvals related to the Ravva Joint Venture, insurance policies in the name of the Company, in a form and manner satisfactory to Trustee. Further, some of the term loans availed by the foreign subsidiaries are secured by charge on the present and future assets of the respective companies, Corporate Guarantee of the Parent Company, and by charge/hypothecation of receivables of fellow subsidiaries/group companies. One of the term loans availed by the foreign subsidiary is secured by pledge of shares of that subsidiary, corporate guarantee of the parent company and pledge of shares of a joint venture company held by the parent company.

ii) Term loans availed by foreign subsidiaries are secured by way of charge on the balances in the earmarked accounts held by the borrower subsidiaries as well as fellow subsidiaries/group companies. An amount of Rs. 1,637.52 million (Previous year Rs. 9,535.99 million) held by the borrower subsidiaries and fellow subsidiaries/group companies in such earmarked accounts has been shown under the head "Balances with Banks – In Earmarked Accounts" in Schedule 7.

C. External Commercial Borrowings

External Commercial Borrowings are secured by a first charge ranking *pari passu* over all the present and future movable and immovable fixed assets. The loan is further secured by personal guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

D. Vehicle Loans from Banks

Vehicle Loans from Banks are secured by way of hypothecation of Vehicles acquired out of the said loan. Some of the loans are also secured by personal guarantee of Mr. Venugopal N. Dhoot.

E. Short Term Loan From Banks

The above loan is secured by Negative Lien on the Telecom License and Pledge/Non Disposal undertaking of shares of the Company (Videocon Telecommunications Limited) held by Parent Company and personal guarantees of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot and Mr. Rajkumar N. Dhoot.

F. Working Capital Loans From Banks

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 only and all other current assets of the Company and personal guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

	As at 30th Sept., 2009 (Rs. in Million)	As at 30th Sept., 2008 (Rs. in Million)
SCHEDULE 4 : UNSECURED LOANS		
A. From Banks and Financial Institutions	**17,386.16**	30,507.81
B. Foreign Currency Convertible Bonds	**5,257.59**	5,132.85
C. Premium Payable on Redemption on Foreign Currency Convertible Bonds	**824.59**	562.13
D. From Others	**26.00**	76.40
E. Sales Tax Deferral	**83.49**	98.90
	23,577.83	36,378.09

Note :

The Company has availed interest free Sales Tax Deferral under Special Incentive to Prestigious Unit (Modified) Scheme. Out of total outstanding, Rs. 62.23 million is repayable in four equal annual installments commencing from 30th May, 2010, Rs. 8.78 million is repayable in twelve monthly installments commencing from 20th October, 2009 and Rs. 12.48 million in twelve monthly installments commencing from 20th October, 2010.

SCHEDULE 5 : FIXED ASSETS

(Rs. in Million)

PARTICULARS	GROSS BLOCK						DEPRECIATION / AMORTISATION / IMPAIRMENT							NET BLOCK	
	As at 30th Sept., 2008	Addition on Amalgamation/ Acquisition	Additions During the Year	Deduction During the Year	Currency Translation Adjustment	As at 30th Sept., 2009	Upto 30th Sept., 2008	Addition on Amalgamation/ Acquisition	For the Year	Deduction/ Adjustment	Impairment	Currency Translation Adjustment	Upto 30th Sept., 2009	As at 30th Sept., 2009	As at 30th Sept., 2008
TANGIBLE ASSETS															
Freehold Land	310.34	-	100.59	0.96	-	**409.97**	-	-	-	-	-	-	-	**409.97**	310.34
Leasehold Land	64.99	-	-	20.67	3.73	**48.05**	12.92	-	0.78	5.46	-	0.99	**9.23**	**38.82**	52.07
Building	6,562.71	-	3.73	35.57	3.46	**6,534.33**	1,678.60	-	192.55	2.99	-	0.29	**1,868.45**	**4,665.88**	4,884.11
Leasehold Improvements	39.32	-	-	-	-	**39.32**	38.76	-	0.40	-	-	-	**39.16**	**0.16**	0.56
Plant and Machinery *	79,193.72	-	9,633.28	8,660.18	37.29	**80,204.11**	35,557.46	-	4,805.29	5,418.86	449.45	18.10	**35,411.44**	**44,792.67**	43,636.26
Furnace	1,995.27	-	-	-	-	**1,995.27**	1,676.53	-	126.77	-	-	-	**1,803.30**	**191.97**	318.74
Electrical Installation	153.10	-	1.76	4.02	-	**150.84**	80.48	-	8.31	0.79	-	-	**88.00**	**62.84**	72.62
Office Equipments	293.25	-	13.67	1.09	-	**305.83**	177.50	-	10.59	0.57	-	-	**187.52**	**118.31**	115.75
Computers Systems	443.19	-	31.80	213.88	0.21	**261.32**	332.08	-	44.79	202.17	-	0.14	**174.84**	**86.48**	111.11
Furniture and Fixtures	182.40	-	50.48	9.87	0.47	**223.48**	111.86	-	21.03	3.38	-	0.20	**129.71**	**93.77**	70.54
Vehicles	703.50	-	63.79	27.28	0.46	**740.47**	350.91	-	61.06	18.71	-	0.33	**393.59**	**346.88**	352.59
Others	20.01	-	1.64	-	4.39	**26.04**	13.91	-	4.39	-	-	3.35	**21.65**	**4.39**	6.10
LEASED ASSETS															
Computer Systems	6.27	-	-	6.27	-	**-**	6.27	-	-	6.27	-	-	**-**	**-**	-
INTANGIBLE ASSETS															
Goodwill (on amalgamation)	235.98	-	-	235.98	-	**-**	235.98	-	-	235.98	-	-	**-**	**-**	-
Computer Software	205.20	-	9.67	-	5.03	**219.90**	92.40	-	46.09	-	-	2.59	**141.08**	**78.82**	112.80
Others	418.11	-	0.06	-	36.45	**454.62**	0.04	-	0.05	-	-	0.01	**0.10**	**454.52**	418.07
Sub Total	90,827.36	-	9,910.47	9,215.77	91.49	**91,613.55**	40,365.70	-	5,322.10	5,895.18	449.45	26.00	40,268.07	51,345.48	50,461.66
Producing Properties	3,780.48	-	5.10	74.12**	-	**3,711.46**	2,962.78	-	132.63	-	-	-	**3,095.41**	**616.05**	817.70
Capital Work-in-Progress	38,277.12	-		-	135.35	**49,237.04**	-	-	-	-	-	-	**-**	**49,237.04**	38,277.12
TOTAL	132,884.96	-	9,915.57	9,289.89	226.84	**144,562.05**	43,328.48	-	5,454.73	5,895.18	449.45	26.00	**43,363.48**	**101,198.57**	89,556.48
As at 30th September 2008	118,502.43	426.82	11,816.79	40,031.77	113.09	**90,827.36**	55,823.92	3.15	6,921.68	23,397.99	998.90	16.04	**40,365.70**	**50,461.66**	
Producing Properties	2,524.82	-	1,255.66	-	-	**3,780.48**	1,874.27	-	538.32	(550.19)	-	-	**2,962.78**	**817.70**	
Capital Work-in-Progress	11,812.65	-	-	-	-	**38,277.12**	-	-	-	-	-	-	**-**	**38,277.12**	
Total as at 30th September, 2008	132,839.90	426.82	13,072.45	40,031.77	113.09	**132,884.96**	57,698.19	3.15	7,460.00	22,847.80	998.90	16.04	**43,328.48**	**89,556.48**	

*Gross Block of Plant and Machinery includes the amount added on revaluation on 01.04.1998 and 01.10.2002.

** Adjustment on account of drilling costs reversed by the Operator

Note : Out of the Depreciation for the year, amount of Rs. 16.61 million is transferred to Pre-Operative Expenditure pending Allocation.

	As at 30th Sept., 2009 (Rs. in Million)	As at 30th Sept., 2008 (Rs. in Million)
SCHEDULE 6 : INVESTMENTS		
LONG TERM INVESTMENTS		
QUOTED		
1. In Equity Shares (Fully Paid up) - Trade	**65.04**	57.37
2. In Equity Shares (Fully Paid up) - Others	**14.32**	1,640.52
3. In Mutual Funds Units	**-**	10.00
UNQUOTED		
1. In Equity Shares (Fully Paid up) - Trade	**1,379.00**	635.72
2. In Equity Shares (Fully Paid up) - Others	**377.80**	369.40
3. In Joint Ventures	**-**	0.05
4. In Preference Shares (Fully Paid up)	**0.38**	0.38
5. In Debentures	**2,000.00**	50.00
6. In Other Investments	**0.52**	0.52
SHARE APPLICATION MONEY PENDING ALLOTMENT	**1,300.00**	15,106.63
CURRENT INVESTMENTS		
UNQUOTED		
1. In Bonds	**50.00**	50.00
2. In Units of Mutual Funds/Portfolios	**2,689.86**	6,607.83
TOTAL INVESTMENTS	**7,876.92**	24,528.42
Aggregate Book Value of Quoted Investments	**79.36**	1,707.89
Aggregate Market Value of Quoted Investments	**108.26**	2,147.05
Aggregate Book Value of Unquoted Investments/Application Money	**7,797.56**	22,820.53

	As at 30th Sept., 2009 (Rs. in Million)	As at 30th Sept., 2008 (Rs. in Million)
SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES		
A. Inventories		
(As taken, valued and certified by the Management)		
Raw Materials including Consumables, Stores and Spares	**11,129.45**	10,201.57
Work in Process	**794.40**	765.07
Finished Goods	**3,644.92**	3,526.21
Material in Transit and in Bonded warehouse	**2,117.33**	1,353.02
Drilling and Production Materials	**291.16**	164.71
Crude Oil	**24.61**	37.66
(A)	**18,001.87**	16,048.24
B. Sundry Debtors (Unsecured)		
Outstanding for a period exceeding six months		
Considered Good	**248.05**	165.34
Considered Doubtful	**264.79**	449.95
	512.84	615.29
Less : Provision for Doubtful Debts	**264.79**	449.95
	248.05	165.34
Others - Considered Good	**17,939.08**	17,519.92
(B)	**18,187.13**	17,685.26

	As at 30th Sept., 2009 (Rs. in Million)	As at 30th Sept., 2008 (Rs. in Million)
C. Cash and Bank Balances		
Cash on hand	**8.30**	13.16
Cheque/Drafts on hand /in Transit	**469.51**	423.94
Balances with Bank		
In Current Accounts	**3,808.32**	1,809.52
In Fixed Deposits	**3,401.80**	4,387.08
In Earmarked Accounts (Refer Note No. B (ii) in Schedule 3)	**1,637.52**	9,535.99
In Dividend/Interest Warrant Account (Per Contra)	**33.38**	35.71
(C)	**9,358.83**	16,205.40
D. Other Current Assets		
Interest Accrued	**126.63**	117.44
Insurance Claim Receivable	**24.66**	57.94
Other Receivable	**254.31**	65.35
(D)	**405.60**	240.73
E. Loans and Advances (Unsecured, considered good)		
Advances recoverable in Cash or in kind or for value to be received	**52,434.94**	41,460.29
Balance with Central Excise/Customs Department	**652.61**	643.14
Advance Fringe Benefit Tax (Net of Provision)	**0.07**	0.19
Other Deposits	**466.49**	462.36
(E)	**53,554.11**	42,565.98
TOTAL (A to E)	**99,507.54**	92,745.61

	As at 30th Sept., 2009 (Rs. in Million)	As at 30th Sept., 2008 (Rs. in Million)
SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors		
Due to Micro, Small and Medium Enterprises.	**0.19**	9.55
Due to others	**9,772.67**	5,618.42
Bank Overdraft as per books	**109.44**	180.56
Interest Accrued but not due	**71.34**	448.93
Other Liabilities	**4,113.54**	5,205.17
Unclaimed Dividend/Interest (Per Contra)	**33.38**	35.71
(A)	**14,100.56**	11,498.34
B. Provisions		
Provision for Income Tax (Net of Advance Tax)	**86.53**	975.20
Proposed Dividend - Equity	**462.53**	229.45
Proposed Dividend - Preference	**36.81**	36.81
Provision for Corporate Tax on Proposed Dividend	**84.86**	45.25
Provision for Warranty and Maintenance Expenses	**618.73**	401.11
Provision for Retirement Benefits and Leave Encashment	**116.65**	90.48
(B)	**1,406.11**	1,778.30
TOTAL (A + B)	**15,506.67**	13,276.64

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	Year ended on 30th Sept., 2009 (Rs. in Million)	Year ended on 30th Sept., 2008 (Rs. in Million)
SCHEDULE 9 : OTHER INCOME		
Service Charges Received	-	24.39
Interest Income	662.48	900.18
(TDS Rs. 66.88 million, Previous year Rs. 133.02 million)		
Income from Investments and Securities Division	48.39	(523.51)
(TDS Rs. 69.22 million, Previous year Rs. 70.03 million)		
Profit on Sale of Fixed Assets	-	146.36
Insurance Claim Received	17.83	26.13
Miscellaneous Income	300.45	379.24
(TDS Rs. 0.01 million, Previous year Rs. 0.01 million)		
TOTAL	1,029.15	952.79
SCHEDULE 10 : COST OF GOODS CONSUMED/SOLD		
A. Material and Components Consumed		
Opening Stock	10,201.57	12,830.07
Add : Purchases	68,047.01	69,111.35
Less : Adjustment on account of disposal/ cessation of Subsidiaries	-	8,587.32
	78,248.58	73,354.10
Less: Closing Stock	11,129.45	10,201.57
(A)	67,119.13	63,152.53
B. (Increase)/Decrease in Stock		
Closing Stock :		
Finished Goods	3,669.53	3,563.87
Work in Process	794.40	765.07
	4,463.93	4,328.94
Opening Stock :		
Finished Goods	3,563.87	4,997.21
Work in Process	765.07	1,769.55
	4,328.94	6,766.76
(B)	(134.99)	2,437.82
TOTAL (A + B)	66,984.14	65,590.35
SCHEDULE 11 : PRODUCTION AND EXPLORATION EXPENSES - OIL AND GAS		
Production Expenses	594.09	401.53
Royalty	305.95	362.64
Cess	419.04	499.54
Production Bonus	95.68	95.80
Government Share in Profit Petroleum	5,724.28	10,264.76
Exploration Expenses	28.03	969.71
Insurance Expenses	39.79	44.01
TOTAL	7,206.86	12,637.99

	Year ended on 30th Sept., 2009 (Rs. in Million)	Year ended on 30th Sept., 2008 (Rs. in Million)
SCHEDULE 12 : SALARY, WAGES AND EMPLOYEES' BENEFITS		
Salary, Wages and Other Benefits	1,523.22	3,518.29
Contribution to Provident and other Funds	117.79	537.50
Staff Welfare	108.98	123.80
TOTAL	1,749.99	4,179.59
SCHEDULE 13 : MANUFACTURING AND OTHER EXPENSES		
Rent, Rates & Taxes	244.52	473.64
Power, Fuel & Water	810.63	1,598.22
Repairs to Building	26.06	31.88
Repairs to Plant and Machinery	95.70	85.13
Repairs & Maintenance-others	100.50	171.53
Bank Charges	297.46	349.53
Directors' Sitting Fees	1.54	1.32
Royalty	85.96	90.41
Printing & Stationery	25.90	25.10
Freight & Forwarding	1,155.98	1,405.56
Advertisement and Publicity	928.36	1,101.64
Sales Promotion Expenses	260.27	233.00
Discount and Incentive Schemes	2,485.67	2,173.29
Legal & Professional Charges	467.55	406.94
Donation	134.53	91.91
Insurance Expenses	190.01	234.02
Auditors' Remuneration	14.49	24.59
Provision for Doubtful Debts	319.17	71.00
Warranty and Maintenance Expenses	851.43	608.76
Miscellaneous Expenditure written off	-	0.03
Product Development	8.59	14.23
Exchange Rate Fluctuation	206.37	1,080.04
Loss on Sale of Fixed Assets	100.61	-
Loss due to fire	254.14	-
Miscellaneous Expenses	1,127.30	1,196.94
TOTAL	10,192.74	11,468.71
SCHEDULE 14 : INTEREST AND FINANCE CHARGES		
On Fixed Period Borrowings	6,799.61	4,474.06
On Others	678.59	851.98
TOTAL	7,478.20	5,326.04

SCHEDULE 15 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A) SIGNIFICANT ACCOUNTING POLICIES :

1. Basis of Consolidation

a) The Consolidated Financial Statements (CFS) relate to Videocon Industries Limited ("the Company" or "the Parent Company") and its subsidiary companies collectively referred to as "the Group".

b) The financial statements of the subsidiary companies used in the preparation of the Consolidated Financial Statements are drawn upto the same reporting date as that of the Company i.e. 30th September, 2009.

c) The CFS have been prepared in accordance with the Accounting Standard 21 "Consolidated Financial Statements" (AS 21), Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures" (AS 27) and Accounting Standard 23 "Accounting for investments in Associates in Consolidated Financial Statements" (AS 23) 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 rates prevailing during the year. 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 in respect of depreciation and retirements benefits, where it was 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 financial statement 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.

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 Account 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 Subsidiary consists of (a) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made and (b) The minorities share of movements in equity since the date the Parent subsidiary relationship came into existence.

viii) Investments in entities 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 investor's share of net assets of the investee. The consolidated profit and loss account includes the Company's share of the results of the operations of the investee.

2. 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 Standard) Rules, 2006.

b) Use of Estimates

The preparation of financial statements in confirmity 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 year. 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.

3. Fixed Assets :

a) Fixed Assets are stated at actual cost, except for certain fixed assets which have been stated at revalued amounts, less accumulated depreciation/amortisation and impairment loss, if any. The actual 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.

b) Capital Work-in-Progress is carried at cost, comprising of direct cost, attributable interest and related incidental expenditure. The advances given for acquiring fixed assets are shown under Capital Work-in-Progress.

4. 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.

5. 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.

6. 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.

7. Depreciation and Amortisation :

i) 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 and; b) on office buildings acquired after 01.04.2000, on which depreciation is provided on straight line method at the rates specified in the said Schedule.

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 : Intangible assets are amortised over a period of five years.

ii) In case of foreign subsidiaries, depreciation is charged to the income statement on a straight line basis over the estimated remaining useful life of the Assets. Leasehold land is amortised on straight line method over the period of lease.

8. 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 it's 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.

9. Pre-Operative Expenditure/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.

10. Investments :

a) Current Investments: Current Investments are carried at lower of cost and quoted/fair value.

b) Long Term Investments: Quoted Investment are valued at cost or market value whichever is lower. Unquoted Investments are stated at cost. The decline in the value of the unquoted investment, other than temporary, is provided for.

Cost is inclusive of brokerage, fees and duties but excludes Securities Transaction Tax.

11. 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.

12. 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.

13. Excise and Customs Duty

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

14. CENVAT/ Value Added Tax

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

15. Revenue Recognition :

a) Revenue is recognised on transfer of significant risk and reward in respect of ownership.

b) Sale of Crude Oil and Natural Gas are exclusive of Sales Tax. Other 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) Insurance, Duty Drawback and other claims are accounted for as and when admitted by the appropriate authorities.

d) Dividend on investments is recognised when the right to receive is established.

16. Foreign Currency Transactions :

a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions. Current Assets and Current 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 Current Assets and Current Liabilities at the end of the year is recognised, as the case may be, as income or expense for the year.

b) Foreign Currency liabilities in respect of loans availed for fixed assets and outstanding on the last day of the financial year are translated at the exchange rate prevailing on that day and any loss or gain arising out of such translation is recognised, as the case may be, as income or expense for the year.

c) 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.

d) 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, in pursuance of the announcement of The Institute of Chartered Accountants of India (ICAI) dated 29th March, 2008 on accounting of derivatives. The resultant gains and losses on fair valuation of such contracts are recognised in the profit and loss account.

17. Translation of the financial statements of foreign branch which are integral foreign operations :

a) Revenue items are translated at average rates.

b) Opening and closing inventories are translated at the rate prevalent at the commencement and close, respectively, of the accounting year.

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.

18. Employee Benefits :

a) Short Term Employee Benefits :

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

b) Post Employment Benefits :

In India :

i) Provident Fund

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

ii) Gratuity

The Company provides for gratuity (a defined benefit retirement plan) 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 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 profit and loss account.

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 profit and loss account.

In foreign subsidiaries :

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

19. Taxation :

Income tax comprises of Current Tax, Deferred Tax and Fringe Benefit Tax.

a) Current Tax :

Provision for Current Tax and Fringe Benefit Tax is calculated on the basis of the provisions of local laws of respective entity.

b) Deferred Tax :

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.

20. Share Issue Expenses :

Share issue expenses are written off to Securities Premium Account.

21. Premium on Redemption of Bonds/Debentures :

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

22. 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.

23. Accounting for Leases :

Where the Company is lessee:

a) Operating Leases : Rentals in respect of all operating leases are charged to Profit and Loss Account.

b) Finance Leases :

i) Rentals in respect of all finance leases entered before 1st April, 2001 are charged to Profit and Loss Account.

ii) In accordance with Accounting Standard - 19 on "Accounting for Leases" issued by The Institute of Chartered Accountants of India, assets acquired under finance lease on or after 1st April, 2001, are capitalised at the lower of their fair value and present value of the minimum lease payments and are disclosed as "Leased Assets".

24. 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.

25. Prior Period Items :

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

26. Provision, Contingent Liabilities and Contingent Assets :

Provisions comprise liabilities of uncertain timing or amount. 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.

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

Contingent assets are not recognised in the financial statements.

27. Other Accounting Policies :

These are consistent with the generally accepted accounting practices.

B) 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 30th September, 2009 are as under:

Name of the subsidiary	Country of Incorporation	Percentage of Holding As at	
		30th Sept., 2009	30th Sept., 2008
Paramount Global Limited	Hong Kong	**100%**	100%
Middle East Appliances LLC	Sultanate of Oman	**100%**	100%
Videocon JPDA 06-103 Limited (Formerly Global Energy Inc)	Cayman Islands	**100%**	100%
Videocon Display Research Co. Limited	Japan	**100%**	100%
Sky Billion Trading Limited	Hong Kong	**100%**	100%
Videocon Global Limited	British Virgin Islands	**100%**	100%
Venus Corporation Limited	Cayman Islands	**100%**	100%
Powerking Corporation Limited	Cayman Islands	**100%**	100%
Mayur Household Electronics Appliances Pvt. Ltd.	India	**100%**	100%
Godavari Consumer Electronics Appliances Pvt. Ltd.	India	**100%**	100%
Videocon Energy Brazil Limited (Formerly Videocon Global Energy Holdings Ltd.)	British Virgin Islands	**100%**	100%
Videocon Mozambique Rovuma 1 Limited (Formerly Videocon Energy Resources Ltd.)	British Virgin Islands	**100%**	100%
Videocon Electronic (Shenzhen) Limited (Chinese name-Wei You Kang Electronic (Shenzhen) Ltd.)	China	**100%**	100%
Videocon International Electronics Limited	India	**100%**	100%
Eagle ECorp Limited	British Virgin Islands	**100%**	100%
Videocon Energy Ventures Limited	British Virgin Islands	**100%**	100%
Pipavav Energy Private Limited	India	**100%**	100%
Videocon Oman 56 Limited * (Formerly Videocon Hydrocarbon Holdings Ltd.)	British Virgin Islands	**100%**	100%
Videocon Telecommunications Limited ** (Formerly Datacom Solutions Ltd.)	India	**# 99.9%**	64%
Datacom Telecommunications Pvt. Ltd. ***	India	**99.9%**	63.9%
Videocon Indonesia Nunukan Inc.(w.e.f. 5th August 2009)	Cayman Islands	**100%**	-
Senior Consulting Pvt. Ltd.** (w.e.f. 18th September, 2009)	India	**90%**	-

Name of the subsidiary	Country of Incorporation	Percentage of Holding As at	
		30th Sept., 2009	30th Sept., 2008
Jumbo Techno Services Pvt. Ltd.** (w.e.f. 22nd September, 2009)	India	## 99%	-
Videocon (Mauritius) Infrastructure Ventures Limited (upto 7th January, 2009)	Mauritius	19%	100%
Investcon Singapore Holdings Limited - (Subsidiary of Videocon (Mauritius) Infrastructure Ventures Limited) (upto 7th January, 2009)	Singapore	-	100%

* Subsidiary of Videocon Energy Ventures Limited

** Subsidiary of Videocon International Electronics Limited

*** Subsidiary of Videocon Telecommunications Limited (formerly Datacom Solutions Ltd.)

Including shares held through Senior Consulting Pvt. Ltd. and Jumbo Techno Services Pvt. Ltd.

Including shares held through Senior Consulting Pvt. Ltd.

Name of the Associate/Joint Venture	Country of incorporation	Percentage of Holding As at	
		30th Sept., 2009	30th Sept., 2008
VB (Brasil) Petroleo Private Ltda.	Brazil	50%	50%
Videocon Infinity Infrastructure Private Limited	India	50%	50%
Goa Energy Private Limited	India	26%	10%

The Company holds 2,600 share of Goa Energy Private Limited which constitute 26% of the paid up capital of the said company. However, this entity (associate) has been excluded from consolidation as, the investment is held with a view of its subsequent disposal in the near future.

C) NOTES TO ACCOUNTS:

		As at 30th Sept., 2009 (Rs. in Million)	As at 30th Sept., 2008 (Rs. in Million)
1.	**Contingent Liabilities not provided for :**		
a)	Letters of Guarantees	**30,301.93**	19,043.17
b)	Letters of Credit opened	**4,998.77**	1,375.81
c)	Customs Penalty	**23.96**	0.88
d)	Customs Duty demands under dispute	**156.09**	249.49
	[Amount paid under protest Rs. 0.82 million (Previous year Rs. 0.40 million)]		
e)	Income Tax demands under dispute	**349.38**	349.38
f)	Excise Duty and Service Tax demand under dispute	**189.37**	275.57
	[Amount paid under protest Rs. 4.21 million (Previous year Rs. 2.87 million)]		
g)	Sales Tax demands under dispute	**156.38**	326.36
	[Amount paid under protest Rs. 57.91 million (Previous year Rs. 23.96 million)]		
h)	Others	**-**	51.42

i) Show Cause Notices (SCNs) have been served on the Operator of the Ravva Oil and Gas Field Joint Venture (Ravva JV) for non payment of Service Tax and Educational Cess on various services for the period 16th August, 2002 to 31st March, 2009. The amount involved relating to Ravva Block is Rs. 415.28 million (Previous year Rs. 101.55 million).

The Operator is contesting the show cause notices/demands before Commissioner of Service Tax and has filed writ petition before Hon'ble High Court of Chennai 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 Ventures. Should it ultimately become payable, the Company's share as per the participating interest would be upto Rs. 103.82 million (Previous year Rs. 25.38 million).

j) Ravva Oil and Gas Field Joint-Venture has received a demand notice for Rs. 21.53 million for delay in payment of cess for the period April 2001 to February 2004. The Ravva JV filed an appeal with Hon'ble High Court of Andhra Pradesh and has received an interim stay order against the demand. The Ravva Oil and Gas Field Joint-Venture believes that its position is likely to be upheld. However, should the liability ultimately arise, the Company's share as per the participating interest would be upto Rs. 5.38 million (Previous year Rs. 5.38 million).

k) Disputed Income Tax demand amounting to Rs. 22.29 million in respect of certain payments made by Ravva Oil and Gas Field Joint Venture is currently pending before the Income Tax Appellate Tribunal. 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 Rs. 5.57 million (Previous year Rs. 5.57 million).

2. a) There was a dispute regarding (i) deductibility of Oil and Natural Gas Corporation Limited Carry (ONGC Carry) while computing the Post Tax Rate of Return (PTRR) under the Ravva Production Sharing Contract (PSC); (ii) deductibility of provision of Site Restoration Costs for computation of Cost Petroleum and PTRR; (iii) deductibility of inventory purchased for computation of Cost Petroleum and PTRR; (iv) deductibility of notional Dividend Distribution Tax under the Income Tax Act, 1961 for computation of PTRR; (v) deductibility of deposits, advances and pre-payments made for the purpose of Petroleum Operations in the business of Ravva Oil and Gas Field for computation of Cost Petroleum and PTRR; and (vi) the conversion rate to be applied by the Government of India (GOI) while converting the USD amount into Indian Rupees against the invoices raised for sale of crude oil. The Dispute was referred to an International Arbitration in accordance with the provisions of the Ravva PSC. Vide the interim award dated 31st March, 2005, the Tribunal has upheld the Company's claims stated in (i) and (v) above whereas the claim of the Company stated in (ii), (iii) and (iv) above were rejected by the Tribunal. As regards claim stated at (vi) above, the Tribunal held that the payment to the Company is to be made after converting the USD amount into Indian Rupees at the State Bank of India Middle Rate i.e. the average of the buying and selling rate. Further, the Supplementary Claim of the Company for payment of interest for delayed payment against invoices raised for sale of crude oil is yet to be decided by the Arbitral Tribunal. While accepting the Interim Award, the Company computed and submitted the calculation on 31st May, 2005 to GOI indicating the amount payable by the Company after applying the said Arbitration Award at US$ 27.02 million equivalent to Rs. 1,081.88 million, which was not accepted by GOI and it claimed that the Company needs to pay US$ 43.72 million equivalent to Rs. 1,901.79 million and interest thereon applying the same Arbitration Award. Since the Company and the GOI were not able to agree upon the amounts due to /payable by the Company, the Company on 7th July, 2005 filed Interim Applications followed by an amendment application on 8th August, 2005 before the Arbitral Tribunal seeking a determination of the amounts due to/payable by the Company. The dispute between the Company and GOI with regard to the computation of interest on delayed payment of profit petroleum to the extent of US$ 67,636 equivalent to Rs. 2.71 million is also covered. Pending the final decision of the Hon'ble Arbitral Tribunal, the Company has accounted for and paid the sum of US$ 43.72 million equivalent to Rs. 1,901.79 million to GOI on ad hoc basis.

The GOI had further filed a Petition on 10th May, 2005 before the High Court in Malaysia challenging the Arbitration Award and praying for setting aside the Partial Award dated 31st March, 2005 only in respect of ONGC Carry issue. The Company challenged the jurisdiction of the said High Court and therefore the maintainability of such an appeal before that Court. The High Court has in this matter, by a pronouncement dated 5th August, 2009, upheld the contentions of the Company and dismissed the challenge filed by the GOI to the Award dated 31st March 2005 on the ONGC Carry issue. The GOI has filed a Notice of Appeal before the Appellate Court at Malaysia. The GOI Appeal is yet to be listed for hearing. The Company believes that its position is likely to be upheld.

b) There is a dispute regarding the rate of conversion from US$ into Indian rupees applicable to the Nominees of the GOI for the purpose of payment of amount of the invoices for sale of the Crude Oil by the Company under the Ravva PSC. Vide the interim award dated 31st March, 2005, the Tribunal has partly upheld the Company's claim. While accepting the Award, the Company has worked out and submitted a computation on 30th June, 2005 to GOI claiming the amount receivable at Rs. 121.43 million being the amount short paid by GOI nominees up to 19th June, 2005 and interest thereon also calculated up to 19th June, 2005. The Company further vide its letter dated 22nd August, 2005 updated its claim claiming the total amount receivable from GOI Nominees at Rs. 124.42 million being the amount short paid by GOI nominees up to 31st July, 2005 and interest thereon also calculated up to 31st July, 2005. The Company further vide its' letter dated 28th April 2008 updated its' claim indicating the total amount receivable from GOI Nominees at Rs. 349.85 million, being the amount short paid by GOI Nominees upto 31st March 2008 and interest thereon also calculated up to 31st March, 2008. On 25th November, 2009 the Company has further updated its claim in this respect vide its letter dated 25th November, 2009, wherein total amount receivable from GOI Nominees is computed at Rs. 498.15 million, being the amount short paid by GOI Nominees upto 31st March, 2009 and interest thereon also calculated up to 31st March, 2009. The dispute regarding the payments to be made by the GOI's nominees in terms of the Award dated 31st March 2005 is also pending before the Arbitral Tribunal in terms of the Interim Applications filed. The GOI has filed an Original Miscellaneous Petition (OMP) 329 of 2006 dated 20th July, 2006 before Hon'ble Delhi High Court challenging the award in respect of this Dispute. Another OMP 223 of 2006 dated 9th May, 2006 has been filed by GOI's nominees HPCL and BRPL in the Hon'ble Delhi High Court challenging the Partial Award dated 31st March, 2005 in respect of Conversion/Exchange Rate Matter. Both OMP 223 of 2006 and OMP 329 of 2006 are presently sub-judice before the Hon'ble Delhi High Court. The GOI nominees continue to make payments at the exchange rate without considering the directives of the Hon'ble Arbitral Tribunal in this regard.

c) GOI has filed OMP 255 of 2006 dated 30th May, 2006 before the Hon'ble Delhi High Court under Section 9 of the Arbitration and Conciliation Act, 1996, seeking a declaration that the seat of the arbitration as regards the disputes between the Company and the GOI is Kuala Lumpur and not London. The Hon'ble Arbitral Tribunal vide its letter dated 28th March, 2007 has indicated that it shall continue with the arbitration proceedings, in respect of the disputes referred above, after receiving the judgement of the Hon'ble Delhi High Court in OMP 255 of 2006. The Hon'ble Delhi High Court has held, vide order dated 30th April, 2008, that it has the jurisdiction to hear the matters arising out of arbitration process and that the matter be heard on merits as against the Company's contention that the said petition itself was not maintainable. The Company has, in this respect, filed Special Leave Petition (SLP) (Civil) No. 16371 of 2008 before the Hon'ble Supreme Court of India to decide the issue of maintainability of OMP 255 of 2006. The Hon'ble Supreme Court after hearing the Parties, has on 11th November, 2009, reserved judgement in the matter. The Company believes that its' position is likely to be upheld.

d) In respect of disputes with regard to additional profit petroleum stated in (a) above, the GOI had vide its letter dated 3rd November, 2006 raised a collective demand of Rs. 334.13 Million on account of additional profit petroleum payable and interest on delayed payments of profit petroleum calculated up to 30th September, 2006 pursuant to the Partial Arbitral Award dated 31st March, 2005 in the dispute stated above, Interim Award dated 12th February, 2004 and Partial Award dated 23rd December, 2004. The Company has disputed such demand and is instead seeking refund of USD 16.70 million equivalent to Rs. 668.67 million already excess paid by the Company to the GOI with interest thereon. Subsequently, GOI has in June, 2008 through its Nominees deducted a further sum of Rs. 372.21 million being its claim of additional profit petroleum and interest on delayed payment of profit petroleum computed up to 30th April, 2008. Such deduction, also being in contravention of the above-referred Arbitral Awards, is disputed by the Company.

Any further sum required to be paid or returnable in respect of dispute above at (a) to (d) in accordance with the determination of the amount by Hon'ble Arbitral Tribunal/Supreme Court/High Courts in this behalf shall be accounted for on the final outcome in this regard.

3. The Company has reviewed the fixed assets for Impairment and has identified some of the machinery and equipments, which have been impaired. Consequently, in case of Parent Company an amount of Rs. 449.45 million (Previous year Rs. 998.90 million) has been assessed as impairment loss and has been recognized in the Profit and Loss Account. The related Deferred Tax Credit of Rs. 152.76 million (Previous year Rs. 339.52 million) has been considered in the Provision for Deferred Tax in the Profit and Loss Account. Further, during the year, the Company has discarded/disposed off certain fixed assets which were out of active use and accordingly have been eliminated from the financial statements. The resultant gain or loss has been recognised in the profit and loss account.

4. The Parent Company had, during the year 2006, issued

a) 90,000 Foreign Currency Convertible Bonds of US$ 1000 each (Bonds) due on 7th March, 2011 out of which 41,820 (Previous year 41,820) Bonds are outstanding.

i) The Bonds are convertible at the option of the bondholders at any time on and after 20th March 2006 upto the close of business on 28th February 2011 at a fixed exchange rate of Rs.44.145 per 1 US$ and at initial conversion price of Rs. 545.24 per share being at premium of 15% over the reference share price. The conversion price shall be adjusted downwards in the event that the average closing price of shares for 15 consecutive trading days immediately prior to the reset date is less than conversion price, subject to a floor price of Rs. 410/- as adjusted in accordance with the anti-dilution provisions.

ii) The Bonds are redeemable in whole but not in part at the option of the Company on or after 7th February, 2009 but prior to 28th February, 2011 if aggregate value on each of 30 consecutive trading days ending not earlier than 14 days prior to the date upon which notice of such redemption is given was at least 130% of the accreted principal amount.

iii) The Bonds are redeemable at maturity date i.e. on 7th March, 2011 at 116.738% of its principal amount, if not redeemed or converted earlier.

b) 105,000 Foreign Currency Convertible Bonds of US$ 1000 each (Bonds) due on 25th July, 2011 out of which 66,651(Previous year 66,651) Bonds are outstanding.

i) The Bonds are convertible at the option of the bondholders at any time on or after 2nd September, 2006 until 18th July, 2011 except for certain closed periods, at a fixed exchange rate of Rs. 46.318 per 1 US$ and at initial conversion price of Rs. 511.18 per share being at premium of 22% over reference share price. The conversion price shall be adjusted downwards in the event that the average closing price of shares for 15 consecutive trading days immediately prior to the reset date is less than conversion price, subject to a floor price of Rs. 410/- as adjusted in accordance with the anti-dilution provisions.

ii) The Bonds are redeemable in whole but not in part at the option of the Company on or after 24th August, 2009, if aggregate value on each of 30 consecutive trading days ending not earlier than 14 days prior to the date upon which notice of such redemption is given was at least 130% of the accreted principal amount. Redeemable in whole but not in part at the option of the Company on or after 24th August, 2009, if aggregate value on each of 30 consecutive trading days ending not earlier than 14 days prior to the date upon which notice of such redemption is given was at least 130% of the accreted principal amount.

iii) The Bonds are redeemable at maturity date i.e. on 25th July, 2011 at 127.65% of its principal amount, if not redeemed or converted earlier.

5. The Company has issued and allotted 11,765,000 Warrants on 1st June, 2009 for a consideration of Rs. 42.50 per warrant being the warrant subscription price. Each Warrant entitles the holder to subscribe to one equity share within a period of 18 months from the date of allotment at the price of Rs. 170/- per equity share. In the event, the holder of Warrant does not exercise the option within the aforesaid period, the Warrant Subscription amount in respect of such warrants shall be forfeited and the Warrants shall lapse.

(Rs. in Million)

	As at 30th Sept., 2009	As at 30th Sept., 2008
6. The major components of deferred tax liabilities/assets are as under :		
a) Deferred Tax Liabilities		
Related to Depreciation on Fixed Assets and amortisation	**5,375.79**	5,142.70
	5,375.79	5,142.70
b) Deferred Tax Assets		
i) Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961	**218.72**	33.65
ii) Diminution in value of investments charged in Profit and Loss Account	**-**	272.43
iii) Other	**33.65**	598.85
	252.37	904.93
Net Deferred Tax Liability	**5,123.42**	4,237.77

7. Joint Venture Disclosure:

A. 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 Accounting Policy No. A-6 above, 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.

B. Unincorporated Joint Ventures

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

b) The Consortium comprising the Company, Oilex Oman Ltd., GAIL India Ltd., Hindustan Petroleum Corporation Ltd. and Bharat Petroleum Corporation Ltd. has been awarded the Block #56, on the Eastern Plank of the Central Salt Producing Oil Field in Oman. The Exploration Production Sharing Agreement and Joint Operating Agreement have been executed on 28th June, 2006. 2D and 3D seismic data are being reprocessed in Permian Flank and the exploration drilling in Sarha-1 well is in progress. Two of the Three exploration wells have been successfully drilled. The Participating interest of the Company in the said venture is 25%. The said interest of the Company has been, subsequent to the balance sheet date, transferred to Videocon Oman 56 Limited, a wholly owned subsidiary of Videocon Energy Ventures Limited, which, in turn is a wholly owned subsidiary of the Company. The Capital Commitments based on estimated minimum work programme in relation to it's participating interest is Rs. 336.62 million (Previous year Rs. 492.18 million).

c) On 15th November, 2006, the consortium comprising Videocon JPDA 06-103 Limited ("Videocon JPDA") (formerly Global Energy Inc.) one of the wholly owned subsidiaries of the Company, 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 by the Timor Sea Designated Authority. This block 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. Videocon JPDA and the other two JV partners have entered into a farm-out agreement with Pan Pacific Petroleum of Australia for farming-out 5% each of their Participating Interest. As such, Participating interest of Videocon JPDA will be 20% after the farm-out is completed.

The consortium is required to drill two out of the four commitment wells in the first phase. The consortium has identified two well locations at Lore and at Lolotoe. The capital commitments of Videocon JPDA, based on work programme is Rs. 733.78 million (Previous year Rs. 738.78 million).

d) The Consortium comprising the Company, Oilex Ltd., Gujarat State Petroleum Corporation Ltd., Hindustan Petroleum Corporation Ltd. and Bharat Petroleum Corporation Ltd. has been awarded Block WA-388-P for a term of 6 years by Government of Western Australia. Joint Operating Agreement has been signed in March 2007 and acquisition of Seismic Data is in progress. A Farm-out Agreement has been entered into with Sasol Petroleum Australia Ltd. on 12th August, 2008 whereby, Sasol has acquired 30% participating interest in the Block and will become operator in place of Oilex, subject to fulfillment of all obligations under the said Agreement. In return, Sasol will carry the JV partners for certain costs in respect of Rose 3D seismic data. The participating interest of the Company after this farm out agreement is 14%. The Capital Commitments of the Company for next three years based on six year work programme is Rs. 450.77 million (Previous year Rs. 61.61 million).

e) The Company had 20% interest in EPP 27 offshore Otway Basin, South Australia through Joint Venture. Other members of the JV were Great Artesian Oil and Gas Ltd. (GOG), Oilex NL and Gujarat State Petroleum Corporation Ltd. Permit for the said concession has expired on 24th August, 2008. In March, 2009, the JV partners have entered into a Good Standing Arrangement with the Government of South Australia committing to spend an amount of A$ 5,253,061 towards acquisition and interpretation of new geophysical and geochemical data and/or drilling activities during the first three years of new permits obtained from re-released areas. The company has already provided for it's share in the aforesaid amount, to the extent of A$ 1.58 million i.e. Rs. 62.08 million.

f) Videocon Mozambique Rovuma 1 Limited (formerly Videocon Energy Resources Limited)(VMRL), one of the wholly owned subsidiaries, has executed a participation agreement with Anadarko Mozambique Area 1 Limitada, a wholly owned subsidiary of Anadarko Petroleum Corporation, USA. Pursuant to this Agreement, VMRL has acquired 10% participating interest in the Oil block covering Area 1 Offshore of the Rovuma Block, Republic of Mozambique. The Agreement was closed on 26th December, 2008 (the Closing Date). VMRL has made a payment of US$ 3.669 million towards the Interim Period Costs and has obligation to fund the carried expenses and other costs not exceeding US$ 35 million which will be paid by VMRL by way of uplift of Joint Account expenses in respect of VMRL's participating interest.

Drilling of four wells in this Block is scheduled for next one year. The capital commitment of VMRL for the next year, based upon the work programme is Rs. 1,986.58 million.

g) 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 12.5 percent 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). Capital outlay for the transaction is estimated at US$11.125 million, which will be incurred up to end 2010 (which includes proportionate share of VIN's obligations previously agreed between Medco and Anadarko Indonesia Nunukan Company). Other members of the consortium are Anadarko Petroleum Corporation, USA, PT Medco and BPRL Ventures Indonesia, BV (a step down wholly owned subsidiary of Bharat Petroleum Corporation Limited).

C. Incorporated Jointly Controlled Entities :

a) VB (Brasil) Petroleo Private Limitada ("VB Brasil") is a 50 : 50 joint venture company incorporated in Brazil with Bharat PetroResources Limited ("BPRL"), a wholly owned subsidiary of Bharat Petroleum Corporation Ltd. VB Brasil in turn holds 100% equity in IBV Brasil Petroleo Limitada (IBV) (formerly EnCana Brasil Petroleo Limitada). IBV has interests in four concessions with ten deep water offshore exploration blocks in Brazil. Petroleo Brasiliero S.A., is the operator in three of the four concessions whereas Anadarko Corporation U.S.A. through its Brazilian subsidiary is the operator in one concession. The pre-salt exploration programme is continuing in the deep water Campos and Espirito Santos basins, with a pre-salt discovery at the Wahoo prospect, offshore Brazil in the Campos Basin. The Capital commitment of the company for next year based on minimum work program is Rs. 3,316.76 million.

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 and has no Capital commitments as on the Balance Sheet date.

c) The financial interest of the Company in the jointly controlled incorporated entities based on audited/unaudited financial statement received from these Joint Venture entities are as under:

(Rs. in Million)

Company's share in	**30th Sept., 2009**	30th Sept., 2008
Assets	**9,811.40**	6,988.27
Liabilities	**9,730.72**	7,303.77
Other Income	**570.52**	-
Expenses	**68.09**	339.10
Tax	**143.09**	-

(Rs. in Million)

		Year ended 30th Sept., 2009	Year ended 30th Sept., 2008
8.	**Earnings Per Share :**		
i)	**Net Profit attributable to Equity Shareholders**		
	Net Profit as per Profit and Loss Account	**4,159.69**	10,989.31
	Add : Excess provision of Income Tax for earlier years written back	**991.63**	7.32
	Less : Short provision of Fringe Benefit Tax	**-**	0.17
		5,151.31	10,996.46
	Less : Dividend on Preference Shares including Tax on the same	**43.06**	43.06
	Net Profit attributable to Equity Shareholders	**5,108.25**	10,953.40
	Add : Changes (net) related to FCCBs	**266.42**	246.69
	Adjusted Net Profit for Diluted EPS	**5,374.67**	11,200.09
ii)	Weighted Average number of equity shares for Basic EPS	**229,406,816**	227,224,997
	Weighted Average number of equity shares for Diluted EPS	**255,062,493**	238,903,247
iii)	Basic Earnings per Share	**Rs. 22.27**	Rs. 48.21
	Diluted Earnings per Share	**Rs. 21.07**	Rs. 46.88
iv)	Reconciliation of weighted average Numbers of Equity Shares outstanding during the period		
	For Basic Earnings per Share	**229,406,816**	227,224,997
	Add : Adjustment for diluted EPS	**25,655,677**	11,678,250
	For Diluted Earnings per Share	**255,062,493**	238,903,247

9. **Employee Benefits :**

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

I) Defined Contribution Plans :

Amount of Rs. 117.79 million is recognised as an expense and shown under the head "Salary, Wages and Employees' Benefits" (Schedule 12) in the Profit and Loss Account.

II) Defined Benefit Plans :

(Rs. in Million)

		Gratuity		Leave Encashment	
		30th Sept., 2009	30th Sept., 2008	**30th Sept., 2009**	30th Sept., 2008
a)	The amounts recognised in the Balance Sheet as at the end of the year				
	1. Present Value of Defined Benefit Obligation	**110.39**	80.19	**41.44**	33.03
	2. Fair value of Plan Assets	**43.60**	34.37	**-**	-
	3. Funded Status – Surplus/(Deficit)	**(66.79)**	(45.82)	**(41.44)**	(33.03)
	4. Net Assets/(Liability)	**(66.79)**	(45.82)	**(41.44)**	(33.03)
b)	The amounts recognised in Profit and Loss Account for the year				
	1. Current Service Cost	**21.07**	9.44	**14.87**	8.43
	2. Interest Cost	**6.81**	5.92	**2.57**	2.37
	3. Actuarial (Gains)/Losses	**17.66**	4.06	**2.71**	5.21
	4. Actual Return on Plan Assets	**4.91**	3.08	**-**	-
	5. Total Expenses	**40.63**	16.34	**20.15**	16.01
c)	The changes in Obligations during the year				
	1. Present value of Defined Benefit Obligation at the beginning of the year	**80.20**	71.92	**33.03**	29.09
	2. Current Service Cost	**21.07**	9.45	**14.87**	8.43
	3. Interest Cost	**6.81**	5.92	**2.57**	2.37
	4. Actuarial (Gains)/Losses	**17.66**	4.06	**2.71**	5.21
	5. Benefit Payments	**15.35**	11.15	**11.74**	12.07
	6. Present value of Defined Benefit Obligation at the end of the year	**110.39**	80.20	**41.44**	33.03
d)	The changes in Plan Assets during the year				
	1. Plan Assets at the beginning of the year	**34.37**	31.16	**-**	-
	2. Contribution by Employer	**9.21**	9.36	**-**	-
	3. Actual Benefit Paid	**4.89**	9.23	**-**	-
	4. Plan Assets at the end of the year	**43.60**	34.37	**-**	-
	5. Actual return on Plan Assets	**4.91**	3.08	**-**	-

Actuarial assumptions :

i.	Discount Rate	8 % per annum
ii.	Mortality	L.I.C. (1994-96) Ultimate
iii.	Turnover Rate	1 % per annum
iv.	Future Salary Increase	5 % per annum

The above information is certified by Actuary.

10. **The effect of acquisition/disposal of subsidiaries during the year on the Consolidated Financial Statements is as follows:**

(Rs. in Million)

	Name of the Company	Effect on Consolidated Profit/(Loss)	Net Assets As at 30th Sept., 2009
a)	**Acquisitions**		
	Videocon Indonesia Nunukan Inc.	(0.37)	(0.33)
	Jumbo Techno Services Private Limited (Subsidiary of Videocon International Electronics Limited)	(2.93)	2,222.52
	Senior Consulting Private Limited (Subsidiary of Videocon International Electronics Limited)	Nil	10.00
b)	**Disposals / Cessation**		
	Investcon Singapore Holdings Limited (Subsidiary of Videocon (Mauritius) Infrastructure Ventures Limited)	(0.08)	N.A
	Videocon (Mauritius) Infrastructure Ventures Ltd.(upto 7th January 2009) (ceased to be subisidiary)	0.05	N.A

11. a) 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.

b) The Financial Institutions have a right to convert at their option, the whole or a part of outstanding amount of Preference Shares, into fully paid up equity shares of the Company as per SEBI guidelines, on default in payment of dividend or a default in redemption of Preference Shares or any combination thereof.

12. The Balances of some of the Debtors, Creditors, Deposits, Advances and Other Current Assets are subject to confirmation.

13. Videocon Telecommunications Limited (formerly Datacom Solutions Limited), one of the subsidiaries, has been awarded license to provide Unified Access Services (Telecom License) in 21 circles in India and has been allotted spectrum in 20 circles. The subsidiary company is in the process of rolling out the services in these circles.

14. During the year, the Company has forfeited and cancelled 43,948 shares (Previous year Nil) issued on amalgamation of erstwhile Videocon International Ltd., due to non receipt of allotment and/or call money from shareholders. The amount paid-up on these shares amounting to Rs. 2.72 million has been transferred to Capital Reserve.

15. 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.

16. 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 :

i) Associate and Joint Venture :

- Ravva Oil and Gas Field (unincorporated) Joint Venture - Participating Interest 25%
- WA-388-P Joint Venture - Participating Interest 14%
- EPP27 Joint Venture - Participating Interest 20%
- Block 56 Oman Joint Venture - Participating Interest 25%
- JPDA 06-103 Joint Venture - Participating Interest 25%
- Rovuma Offshore Area 1 Block Joint Venture - Participating Interest 10%
- VB (Brasil) Petroleo Private Ltda. - Joint Venture 50%
- IBV Brasil Petroleo Limitada (Subsidiary of VB (Brasil) Petroleo Private Ltda.)
- Videocon Infinity Infrastructure Private Limited - Joint Venture 50%
- Goa Energy Pvt. Ltd. - (Associate w.e.f. 27th October, 2008)

ii) Key Management Personnel :

- Mr. Venugopal N. Dhoot - Chairman and Managing Director
- Mr. Pradipkumar N. Dhoot - Whole Time Director
- Mr. K. R. Kim - Chief Executive Officer
- Mr. P. K. Gupta - Vice President
- Mr. Amit Gupta - Vice President
- Mr. Shekhar Jyoti - Vice President

b) Transactions/outstanding balances with Related Parties :

The company has entered into transactions with certain related parties as listed below. The Board considers such transactions to be in normal course of business.

(Rs. in Million)

Nature of Transaction	Associates/ Joint Venture	Key Management Personnel
Contribution towards share of expenditure	**3,696.43** (2,425.55)	
Remuneration		**52.86** (49.50)
Outstanding as at 30th September, 2009		
Receivable from Unincorporated Joint Venture	**0.30** (-)	
Payable to Unincorporated Joint Venture	**1.57** (3.86)	
Receivable from Incorporated Joint Venture	**58.67** (-)	
Payable to Incorporated Joint Venture	**-** (17.62)	

c) Disclosure in respect of material Related Party Transactions during the year :

Contribution towards Share of Expenditure (Joint Venture) includes Ravva Oil and Gas Field Rs. 590.03 million (Previous year Rs. 1,926.66 million), Rovuma Offshore Area 1 Block Rs. 749.39 million (Previous year Rs. Nil) and VB (Brasil) Petroleo Private Ltda. Rs. 1,889.61 million (Previous year Rs. 6.28 million).

17. Reserves :

Share of the Company in Ravva Oil and Gas field (Unincorporated) Joint Venture remaining reserves on proved and probable basis (as per Operator's estimates)

Particulars	Unit of measurement	As at 30.09.2009	As at 30.09.2008
Crude Oil	Million Metric Tonnes	**1.45**	1.89
Natural Gas	Million Cubic Metres	**338.95**	419.69

18. Hitherto, the Company was following the “successful efforts” method of accounting in respect of oil and natural gas exploration, development and producing activities. During the year, the Company has changed the method of accounting for such activities from “successful efforts” method to “full cost” method.

These activities are carried out in diverse locations, using various techniques. All costs incurred at any time and at any place in a cost centre in an attempt to add commercial reserves are an essential part of the cost of any reserves added in the cost centre. As a result, they are directly associated with the enterprise’s reserves in that centre and all the costs should be treated as part of the cost of the mineral assets in the cost centre. The ‘full cost’ method of accounting, in respect of such activities, provides better matching of income and expenses, if total costs are depreciated on pro-rata basis as the reserves in large cost centres are produced. Further, oil and gas reserves are similar to long term inventory item. Under the full cost method, the annual distortions of income resulting from expensing the charges for unsuccessful pre-production activities are eliminated whereas the successful efforts method of accounting assesses success or failure too early in a project and is likely to result in an understatement of assets and net income of a growing enterprise.

In view of the above and considering the characteristics of the participating interests of the Company in joint ventures for oil and gas exploration and production in large cost centres, either directly or indirectly through subsidiaries, it has been advised to the Company that the full cost method will be more appropriate, as it provides better matching of income and expenses.

Consequent to the above change, the 'Production and Exploration Expenses – Oil and Gas' are lower by Rs. 2,429.43 million and the Net Profit for the year, Reserves & Surplus and Capital Work-in-Progress are higher by the said amount.

19. 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 provisions are as follows :

(Rs. in Million)

		Warranty and Maintenance Expenses	
		Year Ended 30th Sept., 2009	Year Ended 30th Sept., 2008
a)	Amount at the beginning of the year	**401.11**	405.49
b)	Additional provision made during the year	**528.47**	392.01
c)	Amount used	**310.85**	396.39
d)	Amount at the end of the year	**618.73**	401.11

20. Operating Lease

i) Future obligation of the Company for assets taken on all leases entered into before 1st April, 2001 is Rs. Nil.

ii) Subsequent to 1st April, 2001 the Company has entered into operating lease agreements for Cars, Buildings and Equipments. The lease rentals charged during the year are Rs. 42.98 million (Previous year Rs.20.40 million).

iii) 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:

(Rs. in Million)

Minimum Lease Payments	As at 30th Sept., 2009	As at 30th Sept., 2008
Not later than 1 year	**9.21**	14.87
Later than 1 year and not later than 5 years	**0.45**	0.46
More than 5 years	**-**	-
Total	**9.66**	15.33

21. Segment Information :

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

a) 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".

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 :

(Rs. in Million)

	Particulars	Consumer Electronics and Home Appliances		Crude Oil and Natural Gas		Telecommunications		Others		Total	
		30th Sept., 2009	30th Sept., 2008	**30th Sept., 2009**	30th Sept., 2008	**30th Sept., 2009**	30th Sept., 2008	**30th Sept., 2009**	30th Sept., 2008	**30th Sept., 2009**	30th Sept., 2008
1.	**Segment Revenue**										
	- External	**96,111.80**	103,294.52	**10,625.49**	19,076.00	**-**	-	**-**	-	**106,737.29**	122,370.52
	- Inter Segment	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
	Total Segment	**96,111.80**	103,294.52	**10,625.49**	19,076.00	**-**	-	**-**	-	**106,737.29**	122,370.52
2.	**Segment Result before Interest**	**10,179.12**	11,868.25	**2,979.67**	5,743.21	**-**	-	**-**	-	**13,158.79**	17,611.46
	Less : Interest Expenses	**-**	-	**-**	-	**-**	-	**-**	-	**7,478.20**	5,326.04
	Add/(Less) : Other Unallocable	**-**	-	**-**	-	**-**	-	**-**	-	**404.07**	515.57
	Profit before Exceptional Items and Taxation	**-**	-	**-**	-	**-**	-	**-**	-	**6,084.66**	12,800.99
	Add/(Less) : Exceptional Items	**-**	-	**-**	-	**-**	-	**-**	-	**-**	(1,278.10)
	Add : Share of Profit in Associate Company	**-**	-	**-**	-	**-**	-	**-**	-	**-**	50.80
	Add : Adjustment on Disposal/Cessation of Subsidiaries/Associates	**-**	-	**-**	-	**-**	-	**-**	-	**2.44**	2,880.45
	Less : Provision for Current Tax	**-**	-	**-**	-	**-**	-	**-**	-	**1,024.29**	1,616.84
	Less : Provision for Deferred Tax	**-**	-	**-**	-	**-**	-	**-**	-	**886.62**	1,765.02
	Less : Provision for Fringe Benefit Tax	**-**	-	**-**	-	**-**	-	**-**	-	**16.53**	22.93
	Profit before Minority Interest	**-**	-	**-**	-	**-**	-	**-**	-	**4,159.66**	11,049.35
	Add/(Less) : Minority Interest	**-**	-	**-**	-	**-**	-	**-**	-	**0.03**	(60.04)
	Profit for the year	**-**	-	**-**	-	**-**	-	**-**	-	**4,159.69**	10,989.31

(Rs. in Million)

	Consumer Electronics and Home Appliances		Crude Oil and Natural Gas		Telecommunications		Others/Unallocable		Total	
	30th Sept., 2009	30th Sept., 2008	**30th Sept., 2009**	30th Sept., 2008	**30th Sept., 2009**	30th Sept., 2008	**30th Sept., 2009**	30th Sept., 2008	**30th Sept., 2009**	30th Sept., 2008
3. Other Information										
Segment Assets	**128,883.48**	127,876.08	**17,673.67**	12,536.46	**29,464.18**	20,217.73	**39,126.18**	47,596.34	**215,147.51**	208,226.61
Segment Liabilities	**68,793.28**	71,401.45	**14,793.90**	9,776.43	**28,094.18**	19,257.73	**30,574.83**	39,033.49	**142,256.19**	139,469.10
Capital Expenditure	**9,455.30**	14,473.07	**5,718.47**	7,538.20	**10,573.81**	16,897.28	**269.45**	1,857.69	**26,017.03**	40,766.24
Depreciation	**5,549.42**	7,156.22	**268.45**	576.47	**-**	-	**69.70**	72.22	**5,887.57**	7,804.91

ii) Secondary Segment Information:

(Rs. in Million)

	Particulars	**Within India**	**Outside India**	**Total**
a)	Segment Revenue - External Turnover	94,388.36	12,348.93	106,737.29
b)	Segment Assets	193,448.54	21,698.97	215,147.51
c)	Segment Liabilities	122,306.76	19,949.43	142,256.19
d)	Capital Expenditure	20,822.63	5,194.40	26,017.03

22. The figures of the current year are not comparable with those of the previous year, as the current year's figures do not include operations of certain subsidiaries, consequent to their cessation to be subsidiaries of the Company in the previous year and include operations of certain subsidiaries for part of the year, consequent to their acquisition as stated in Note No. B above.

23. Figures in respect of previous year have been regrouped and recasted wherever necessary to make them comparable with those of current year.

NOTES

NOTES

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(Unit : Videocon Industries Limited)
Kashiram Jamnadas Building, Office No. 21/22, Ground Floor,
5, P.D'mello Road (Ghadiyal Godi), Masjid (East), Mumbai 400 009.

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