



VIDEOCON

VIDEOCON INDUSTRIES LIMITED
ANNUAL REPORT 2015

BOARD OF DIRECTORS

Venugopal N. Dhoot	Chairman & Managing Director
Radheyshyam Agarwal	Independent Director
Bhopinder Jagdish Mittar Chopra	Independent Director
Subhash Dayama	Independent Director
Maj. Gen S.C.N. Jatar	Independent Director
Subroto Gupta	Nominee-IDBI Bank Limited

REGISTERED OFFICE

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

MANUFACTURING FACILITIES

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

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

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

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

BANKERS

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

COMPANY SECRETARY

Vinod Kumar Bohra

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NOTICE

NOTICE is hereby given that the Twenty-Sixth Annual General Meeting of the Members of **VIDEOCON INDUSTRIES LIMITED** (the "Company") will be held on Monday, 27th June, 2016 at the Registered Office of the Company at 14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka: Paithan, Dist.: Aurangabad - 431 105 (Maharashtra) at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the standalone and consolidated Audited Statement of Profit and Loss for the year ended 31st December, 2015 and the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Venugopal N. Dhoot (DIN: 00092450), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To ratify the appointment of Auditors, and fix their remuneration and in this regard to consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139 and such other applicable provisions, if any, of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai (Firm Registration No.105049W) and M/s. Kadam & Co., Chartered Accountants, Ahmednagar (Firm Registration No. 104524W), as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting i.e. the 26th Annual General Meeting until the conclusion of the 28th Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS

4. To consider and ratify the remuneration to be paid to Mr. Jayant B. Galande, (Membership No. 5255), Cost Auditor of the Company, and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and such other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any amendment thereto or re-enactment thereof for the time being in force) Mr. Jayant B. Galande (Membership No. 5255), Cost Accountant in Whole-Time Practice, Aurangabad, who was appointed as the Cost Auditor of the Company by the Board of Directors, for conducting the audit of the cost accounting records of the Company for the financial period commencing on 1st January, 2016 at a remuneration of ₹ 1,10,000/- (Rupees One Lakh Ten Thousand Only) excluding service tax, travelling and other out-of-pocket expenses incurred by him in connection with the aforesaid audit be and is hereby ratified and confirmed."

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

"RESOLVED THAT pursuant to the provisions of Sections 61, 64 and such other applicable provisions, if any, of the Companies Act, 2013 (including any statutory amendments or modifications or re-enactment thereof for the time being in force) and the Rules

and Regulations made thereunder, consent of the Company be and is hereby accorded to increase the Authorised Share Capital of the Company from the existing ₹ 600,00,00,000/- (Rupees Six Hundred Crores Only) divided into 50,00,00,000 (Fifty Crores) Equity Shares of ₹ 10/- (Rupees Ten Only) each and 1,00,00,000 (One Crore) Redeemable Preference Shares of ₹ 100/- (Rupees One Hundred Only) each to ₹ 1500,00,00,000/- (Rupees Fifteen Hundred Crores Only) divided into 130,00,00,000 (One Hundred and Thirty Crores) Equity Shares of ₹ 10/- (Rupees Ten Only) each and 2,00,00,000 (Two Crore) Redeemable Preference Shares of ₹ 100/- (Rupees One Hundred Only) each.

RESOLVED FURTHER THAT Clause No. V of the Memorandum of Association of the Company be and is hereby altered accordingly to read as under:

"V. The authorized capital of the Company is ₹ 1500,00,00,000/- (Rupees Fifteen Hundred Crores Only) divided into 130,00,00,000 (One Hundred and Thirty Crores) Equity Shares of ₹ 10/- (Rupees Ten Only) each and 2,00,00,000 (Two Crore) Preference Shares of ₹ 100/- (Rupees One Hundred Only) each. The Company has power from time to time to increase or reduce its capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined, qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or subrogate any such rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or subrogate any such rights, privileges, conditions or restrictions in such manner as may for the time being be permitted by Articles of Association of the Company or the legislative provisions for the time being in force in this behalf."

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

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and is hereby authorised to file/submit all the necessary forms with the Registrar of Companies (ROC) and to do all other acts, deeds and things in this regard."

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

"RESOLVED THAT in supersession to the earlier resolution passed by the shareholders of the Company at the Annual General Meeting held on 27th June, 2015 and pursuant to the provisions of Sections 41, 42, 62, 67, 71 and such other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any amendment thereto or re-enactment thereof for the time being in force), the Foreign Exchange Management Act, 1999, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 (to the extent applicable), the Depository Receipt Scheme, 2014, the notifications issued by the Reserve Bank of India ("RBI") and other applicable laws,

equity listing agreements entered into by the Company with the stock exchanges where the equity shares of the Company are listed, Articles of Association and subject to all other statutory and regulatory approvals, consents, permissions and/or sanctions of the Government of India, RBI, Securities and Exchange Board of India ("SEBI") and all other concerned authorities (hereinafter singly or collectively referred to as the "Appropriate Authority" or "Appropriate Authorities") as may be required, and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting any such approval, consent, permission and/or sanction and agreed to by the Board of Directors of the Company (hereinafter called the "Board", which term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this Resolution, to the extent permitted by law), which the Board be and is hereby authorized to accept, if it thinks fit in the interest of the Company, the consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot equity shares and/or other equity linked or convertible financial instruments ("OFIs") in one or more tranches, whether denominated in Indian Rupee or foreign currency(ies), in the course of international and/or domestic offering(s) in one or more foreign market(s), for an amount not exceeding ₹ 5,000 Crores (Rupees Five Thousand Crores Only), or its equivalent in foreign currency, inclusive of premium, through a Follow-on Public Offering ("FPO") to eligible investors, or through Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs"), any other Depository Receipt Mechanism convertible into Equity Shares (either at the option of the Company or the holders thereof) at a later date, any such instrument or security including Debentures or Bonds or Foreign Currency Convertible Bonds ("FCCBs") being either with or without detachable warrants attached thereto entitling the warrant holder to apply for Equity Shares/instruments or securities including GDRs and ADRs representing equity shares (hereinafter collectively referred to as the "Securities") or any combination of Equity Shares with or without premium, to be subscribed to in Indian Rupees and/or any foreign currency(ies) by resident or non-resident/foreign investors (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/or otherwise)/Foreign Institutional Investors ("FIIs")/Foreign Portfolio Investors/Mutual Funds/Pension Funds/Alternate Investment Funds/Venture Capital Funds/ Banks and such other persons or entities, whether or not such investors are members of the Company, to all or any of them, jointly or severally through prospectus, offer document and/or other letter, placement document or circular ("Offer Document") and/or on private placement basis, from time to time in one or more tranches as may be deemed appropriate by the Board and such issue and allotment to be made on such occasion or occasions, at such value or values, at a discount or at a premium to the market price prevailing at the time of the issue and in such form and manner and on such terms and conditions or such modifications thereto as the Board may determine in consultation with the Lead Manager(s) and/or Underwriters and/or other Advisors, with authority to retain oversubscription upto such percentage as may be permitted by the Appropriate Authorities and in accordance with applicable law, with or without voting rights in general meetings/class meetings, at such price or prices, at such interest or additional interest, at a discount or at a premium on the market price or prices and in such form and manner and on such terms and conditions or such modifications thereto, including the number of Securities

to be issued, face value, rate of interest, redemption period, manner of redemption, amount of premium on redemption/prepayment, number of further Equity Shares, to be allotted on conversion/redemption/extinguishment of debt(s), exercise of rights attached to the warrants, the ratio of exchange of shares and/or warrants and/or any other financial instrument, period of conversion, fixing of record date or book closure and all other related or incidental matters as the Board may in its absolute discretion think fit and decide in consultation with the appropriate authority(ies), the Merchant Banker(s) and/or Lead Manager(s) and/or Underwriter(s) and/or Advisor(s) and/or such other person(s), but without requiring any further approval or consent from the shareholders and also subject to the applicable regulations for the time being in force.

RESOLVED FURTHER THAT in the event of (i) a proposed issuance of FCCBs, the relevant date shall mean the date on which the Board or a duly constituted committee thereof decides to open the proposed issuance of FCCBs, or such other date as may be notified by any Appropriate Authority from time to time in connection with FCCBs, (ii) a proposed issuance of GDRs/ADRs, the pricing/relevant date for the same shall be decided/determined in accordance with the provisions of the Depository Receipt Scheme, 2014, and (iii) a proposed issuance of any other instrument, such date as may be notified by any Appropriate Authority.

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

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

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of further Equity Shares as may be required to be issued and allotted upon conversion of any securities or as may be necessary in accordance with the terms of the offering, all such further Equity Shares shall rank pari-passu with the existing fully paid equity shares of the Company in all respects except provided otherwise under the terms of issue and in the offer document.

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

7. To appoint Mr. Subhash Dayama (DIN: 00217692) as an Independent Director at the ensuing Annual General Meeting and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and such other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Subhash Dayama (DIN: 00217692), who was appointed as an Additional Director at the Board Meeting held on 14th May, 2016, and who holds office of Director upto the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years from the date of this Annual General Meeting i.e. 27th June, 2016, and in respect of whom the Company has also received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying its intention to propose candidature of Mr. Subhash Dayama for the office of Director of the Company, be and is hereby appointed as an Independent Director to hold office upto a term of five consecutive years from 27th June, 2016, not liable to retire by rotation.”

8. To take on record the appointment of Mr. Bhopinder Jagdish Mittar Chopra (DIN: 00329550), Independent Director appointed in Casual Vacancy and to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Rules made thereunder, the Members of the Company do hereby take on record the appointment of Mr. Bhopinder Jagdish Mittar Chopra (DIN: 00329550) as an Independent Director appointed in Casual Vacancy caused by the sad demise of Mr. Anil Joshi, to hold office upto the date upto which Mr. Anil Joshi would have held office, if he had not passed away.”

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

VENUGOPAL N. DHOOT
CHAIRMAN & MANAGING DIRECTOR
DIN: 00092450

Place: Mumbai
Date: 14th May, 2016

Registered Office:

14 K. M. Stone, Aurangabad-Paithan Road,
Village: Chittegaon, Taluka: Paithan,
Dist.: Aurangabad - 431 105 (Maharashtra).
CIN: L99999MH1986PLC103624
E-mail Id: secretarial@videoconmail.com
Website: www.videoconworld.com
Tel. No.: +91-02431-251501/2
Fax No.: +91-02431-251551

NOTES:

1. **IN TERMS OF THE PROVISIONS OF SECTION 105 OF THE COMPANIES ACT, 2013, READ WITH RULE 19 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE**

COMMENCEMENT OF THE MEETING. A PERSON CAN BE A PROXY FOR MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. PROVIDED THAT A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. A PROXY FORM FOR THE MEETING IS ENCLOSED.

2. In terms of Section 102 of the Companies Act, 2013 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India, a statement setting out the material facts concerning special business to be transacted at the Meeting is annexed and forms part of this Notice.
3. Copies of the Notice of 26th Annual General Meeting together with the Annual Report are being sent by electronic mode to all the Members whose email addresses are registered with the Company/Depository Participant(s) and for Members who have not registered their email addresses, physical copies of the Annual Report are being sent by the permitted mode, to those Members who hold shares in physical form and whose names appear in the Company’s Register of Members on Saturday, 21st May, 2016 and as regards shares held in the electronic form, to those beneficial owners of the shares as at the close of business hours on Friday, 20th May, 2016 as per the particulars of beneficial owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Upon request, printed copy of Annual Report will be supplied to those Members to whom Annual Report has been sent through electronic mode.
4. Details under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India in respect of Directors seeking re-appointment/appointment/confirmation at the ensuing Annual General Meeting is appended to the Notice.
5. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing such representative(s) to attend and vote on their behalf at the Meeting.
6. For convenience of the Members and for proper conduct of the Meeting, entry to the place of Meeting will be regulated by attendance slip, which is annexed to the Annual Report. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.
7. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number on the attendance slip and bring their attendance slip, as enclosed, alongwith their copy of Annual Report to the Meeting.
8. The business set out in this Notice is also being conducted through remote e-voting. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the remote e-voting facility as an alternate to all its Members to enable them

to cast their vote electronically instead of casting the vote at the Meeting. Please note that Voting through Electronic Mode is optional. The Members who have casted their votes by remote e-voting may participate in the Meeting even after exercising their right to vote through remote e-voting but they shall not be allowed to cast vote again at the Meeting. For this purpose the Company has entered into an agreement with CDSL for facilitating e-voting to enable the shareholders to cast their votes electronically. The Company is also providing facility for voting by Ballot at the Meeting apart from providing remote e-voting facility for all those Members who are present at the Meeting but have not casted their votes by availing the remote e-voting facility.

9. In case of joint holders attending the Meeting, and who have not exercised their right to vote by remote e-voting facility, only such joint holder who is higher in the order of names shall be entitled to vote.
10. The remote e-voting facility shall be opened from Friday, 24th June, 2016 at 9.00 a.m. to Sunday, 26th June, 2016 till 5.00 p.m., both days inclusive. Detailed instructions of remote e-voting forms part of this Notice. The remote e-voting facility shall not be allowed beyond 5.00 p.m. on Sunday, 26th June, 2016. During the period when facility for remote e-voting is provided, the Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/entitlement date, may opt for remote e-voting. Provided that once the vote on a resolution is casted by the Member, he shall not be allowed to change it subsequently or cast the vote again.
11. The Notice of the Meeting is being placed on the website of the Company viz., www.videoconworld.com and on the website of CDSL viz., www.cdslindia.com.
12. Mrs. Gayathri R. Girish, Company Secretary in Whole-Time Practice (CP No. 9255) or failing her Mr. Soumitra Mujumdar, Company Secretary in Whole-Time Practice (CP No. 12363), has been appointed as a Scrutinizer for conducting the voting by Ballot at the Meeting and remote e-voting process in a fair and transparent manner.
13. The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, first count the votes casted by Ballot at the Meeting, thereafter unblock the votes casted through remote e-voting in the manner provided in the Rules and make, not later than 3 days of conclusion of the Meeting, consolidated Scrutinizer's Report of remote e-voting and voting by Ballot at the Meeting, of the total votes casted in favour or against, if any, to the Chairman of the Meeting and the Chairman or a person as may be authorized by him in writing shall declare the result of the voting forthwith and all the resolutions as mentioned in the Notice of the Meeting shall be deemed to be passed on the date of the Meeting. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at www.videoconworld.com and on the website of CDSL at www.cdslindia.com, immediately after the results are declared by the Chairman.
14. The Company has fixed Monday, 20th June, 2016, as the cut-off date/entitlement date for identifying the Shareholders for determining the eligibility to vote by electronic means or in the Meeting by Ballot. Instructions for exercising voting rights by remote e-voting are attached herewith and forms part of this Notice. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date/entitlement date only shall be entitled to avail the facility of remote e-voting as well as voting at the Meeting.
15. Any person who becomes a Member of the Company after the date of this Notice of the Meeting and holding shares as on the cut-off date/entitlement date i.e. Monday, 20th June, 2016, may obtain the User ID and Password by sending an e-mail request to secretarial@videoconmail.com. Members may also call on +91 22 6611 3553 or send a request to The Company Secretary, by writing to him at Videocon Industries Limited at 2nd Floor, Fort House, Dr. D. N. Road, Fort, Mumbai - 400 001.
16. The Voting Rights will be reckoned on the paid-up value of shares registered in the name of shareholders on Monday, 20th June, 2016, the cut-off date/entitlement date for identifying the Shareholders for determining the eligibility to vote by electronic means or at the Meeting by Ballot.
17. The Register of Members and Share Transfer Books shall remain closed from Wednesday, 15th June, 2016 to Monday, 27th June, 2016 (both days inclusive) for the purpose of the Meeting.
18. The Company has transferred the unclaimed dividend for the financial year 2007-08 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members who have not encashed dividend warrant(s) for the subsequent years are requested to contact M/s. MCS Share Transfer Agent Limited, Registrar and Transfer Agent of the Company, for seeking issue of duplicate warrant(s). Members are requested to note that no claims shall lie against the Company or IEPF in respect of any amounts which were unclaimed and unpaid for a period of seven years from the date they first became due for payment and no payment shall be made in respect of any such claims. The details of the unpaid/unclaimed dividend as on 27th June, 2015 (the date of previous Annual General Meeting) are available on the Company's website viz., www.videoconworld.com and on the website of Ministry of Corporate Affairs at www.mca.gov.in.
19. Members who hold shares in physical form, under multiple folios, in identical names or joint accounts in the same order or names, are requested to send the share certificates to M/s. MCS Share Transfer Agent Limited, Registrar and Transfer Agent of the Company, for consolidation into a single folio.
20. Members holding shares in physical form are requested to kindly notify any change in their address(es) to the Company, so as to enable the Company to address future communications to their correct address(es). Members holding shares in electronic form are requested to notify any change in their address(es) to their respective Depository Participant(s).
21. Non-Resident Indian Members are requested to inform M/s. MCS Share Transfer Agent Limited, the Registrar and Transfer Agent of the Company, immediately of change in their residential status on return to India for permanent settlement together with the particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with Pin Code Number, if not furnished earlier.
22. The equity shares of the Company are tradable compulsorily in electronic form and your Company has established connectivity with both the Depositories i.e., NSDL and CDSL. Taking into consideration the enormous advantages offered by the Depository System, Members are requested to avail the facility of dematerialization of the Company's shares on either of the Depositories, as aforesaid.

23. The relevant documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company on all working days between 12.00 noon to 3.00 p.m. upto the date of the Meeting.
 24. Members desiring any information as regards to the Financial Statements/Directors' Report are requested to write to the Company at an early date so as to enable the Management to reply at the Meeting.
 25. The Annual Report of the Company will be made available on the Company's website at www.videoconworld.com.
 26. Members may address their queries/communications at secretarial@videoconmail.com
 27. Members are requested to kindly bring their copy of the Annual Report to the Meeting.
 28. As on 31st December, 2015, 104,068 Equity Shares held by 23,642 Equity Shareholders are unclaimed. The Company has transferred all the unclaimed shares into one folio in the name of "Videocon Industries Limited – Unclaimed Suspense Account" and is in the process of dematerialization of the said shares. All those shareholders whose shares are unclaimed are required to contact the Company or M/s. MCS Share Transfer Agent Limited, Registrar and Transfer Agent of the Company with self attested copy of PAN Card for each of the joint shareholder(s) and Address Proof. On receipt of the request letter and verification form, the Company shall arrange to credit the shares lying in the Unclaimed Suspense Account to demat account of the concerned shareholder or deliver the share certificate(s) after re-materialising the same. The voting rights on such shares shall remain frozen till the rightful owner claims the shares.
 29. GREEN INITIATIVE: Securities & Exchange Board of India & the Ministry of Corporate Affairs encourages paperless communication as a contribution to greener environment. E-mail communications to the shareholders will result in multiple benefits as under:
 1. Timely receipt of all communications without any transit loss.
 2. Helping in protecting environment and conservation of resources.
 3. Easy storage in soft copy, thereby eliminating the requirement of storage of bulky documents for subsequent reference.

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

Members holding shares in physical mode are requested to register their e-mail ID's with the M/s. MCS Share Transfer Agent Limited, the Registrar and Transfer Agent of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered. If there is any change in the e-mail ID already registered with the Company, Members are requested to immediately notify such change to the Registrar and Transfer Agent of the Company in respect of shares held in physical form and to their respective Depository Participants in respect of shares held in electronic form.
- (i) The voting period begins on Friday, 24th June, 2016 at 9.00 a.m. and ends on Sunday, 26th June, 2016 at 5.00 p.m. (both days inclusive). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/entitlement date of Monday, 20th June, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through

REMOTE E-VOTING INSTRUCTIONS

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

CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant VIDEOCON INDUSTRIES LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting

manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

- (xxi) Any person who becomes a member of the Company after the date of this Notice of the Meeting and holding shares as on the cut-off date/entitlement date i.e. Monday, 20th June, 2016, may obtain the User ID and Password by sending an e-mail request to secretarial@videoconmail.com. Members may also call on +91 22 6611 3553 or send a request to The Company Secretary, by writing to him at Videocon Industries Limited at 2nd Floor, Fort House, Dr. D. N. Road, Fort, Mumbai - 400 001.

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

VENUGOPAL N. DHOOT
CHAIRMAN & MANAGING DIRECTOR
DIN: 00092450

Place: Mumbai
Date: 14th May, 2016

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

Item No. 4

The Board of Directors of the Company, on the recommendation of the Audit Committee, have approved the appointment of Mr. Jayant B. Galande (Membership No. 5255), Cost Accountant in Whole-Time Practice, Aurangabad, as Cost Auditor of the Company to conduct the audit of the cost accounting records of the Company for the financial period commencing from 1st January, 2016. The Board of Directors of the Company, on the recommendation of the Audit Committee, have decided to pay a remuneration of ₹ 1,10,000/- (Rupees One Lakh Ten Thousand Only) excluding service tax and other taxes, travelling and other out-of-pocket expenses at actual, to Mr. Jayant B. Galande, for the financial period commencing from 1st January, 2016. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditor shall be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee and the same shall be subsequently ratified by the shareholders of the Company at a general body meeting.

Accordingly, consent of the members is sought by passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial period commencing from 1st January, 2016.

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

Item No. 5

In view of the proposed enhancement in volume of activities, your Company may have to go in for augmentation of the capital base to part finance the proposed projects. Hence, the Authorized Share Capital of the Company should be adequately increased to accommodate the proposed augmentation of the capital base. Therefore, it is proposed to increase the present Authorized Share Capital of the Company from the

existing ₹ 600,00,00,000/- (Rupees Six Hundred Crores Only) divided into 50,00,00,000 (Fifty Crores) Equity Shares of ₹10/- (Rupees Ten Only) each and 1,00,00,000 (One Crore) Redeemable Preference Shares of ₹ 100/- (Rupees One Hundred Only) each to ₹ 1500,00,00,000/- (Rupees Fifteen Hundred Crores Only) divided into 130,00,00,000 (One Hundred Thirty Crores) Equity Shares of ₹ 10/- (Rupees Ten Only) each and 2,00,00,000 (Two Crore) Redeemable Preference Shares of ₹ 100/- (Rupees One Hundred Only) each.

Pursuant to the provisions of Section 61 of the Companies Act, 2013, approval of shareholders is required for proposed increase in Authorized Share Capital of the Company and consequential amendments to Clause No. V of Memorandum of Association of the Company by way of an Ordinary Resolution.

The Board recommends the resolution set out at Item No. 5 of the Notice of Annual General Meeting for your approval.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Item No. 6

The Members of the Company vide resolution passed at the Annual General Meeting of the Company held on 27th June, 2015 had accorded their approval to issue, offer and allot equity shares and/or other equity linked financial instrument, in one or more tranches, for an amount not exceeding ₹ 5,000 Crores, inclusive of premium, through a Follow-on Public Offering ("FPO"), Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs"), any other Depository Receipt Mechanism convertible into Equity Shares, or any such instrument or security [including Debentures or Bonds or FCCBs] being either with or without detachable warrants attached thereto entitling the warrant holder to apply for Equity Shares/instruments. The said Resolution is valid for a period of 1 year from the date of passing. The Company proposes to seek a fresh approval from the members in terms of the provisions of Companies Act, 2013, as the Company continues to evaluate different proposals to mobilize the funds, as and when required including by way of debt instruments and instruments convertible into equity shares and the currency of previous resolution is just one year from passing of such resolution.

Over the past few years, after consolidating its position in the business of Consumer Electronics and Home Appliances, the Company has explored its portfolio in Oil and Gas business. All this has opened up huge business opportunities domestically as also internationally, resulting in substantial fund requirements. Investments so far in these activities have been made by the Company out of a combination of internal accruals and borrowed funds. In case the Company encounters any such good opportunity requiring allocation of sizeable resources, it may, if deemed appropriate, support such opportunities with the combination of equity and debt.

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

The Board recommends the resolution set out at Item No. 6 of the Notice of Annual General Meeting for your approval.

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

Item No. 7

Mr. Subhash Dayama (DIN: 00217692) was appointed as an Additional Director at the Board Meeting held on 14th May, 2016. In terms of the provisions of Section 161 of the Companies Act, 2013 and the Rules made thereunder, he holds the office of Director upto the date of ensuing Annual General Meeting.

Further, in terms of Section 149 of the Companies Act, 2013 and the Rules made thereunder, the Board proposes his appointment as an Independent Director to hold office upto a term of five consecutive years from the date of this Annual General Meeting.

The Company has received from Mr. Subhash Dayama (1) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (2) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013 and (3) a declaration to the effect that he meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013.

The Company has also received a notice in writing along with requisite deposit, from a member under Section 160 of the Companies Act, 2013, signifying its intention to propose candidature of Mr. Subhash Dayama for the office of Directors of the Company. The Board seeks the approval of the Members of the Company to appoint Mr. Subhash Dayama as an Independent Director of the Company for a term of five consecutive years i.e. from 27th June, 2016, pursuant to the provisions of Section 149 and such other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

A brief profile of Mr. Subhash Dayama, nature of expertise in specific functional area, name of other public companies in which he holds directorship and membership/chairmanship of the committees of the Board of Directors, the particulars of the shareholding and relationship between the directors, key managerial personnel and manager of the Company inter-se as stipulated under Regulation 36(3) of the SEBI (Listing Obligations And Disclosure Requirements), Regulations, 2015 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India is appended to the Notice.

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

All the relevant documents in connection with the appointment of Mr. Subhash Dayama, are available for inspection without any fee by the Members at the Company's Registered Office during normal business hours on working days upto the date of the Annual General Meeting.

The Board considers that his appointment would be of immense benefit to the Company and it is desirable to appoint Mr. Subhash Dayama as an Independent Director. Hence, the said appointment is being proposed for approval of the Members at the ensuing Annual General Meeting.

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

Item No. 8

Mr. Bhopinder Jagdish Mittar Chopra (DIN: 00329550) was appointed as an Independent Director at the Board Meeting held on 30th January, 2016 to fill the casual vacancy caused by the sad demise of Mr. Anil Joshi. In terms of the provisions of Section 161 of the Companies Act, 2013 and the Rules made thereunder, he holds office of Director upto the date to which the director in whose place he is appointed would have held office, if it had not been vacated. Accordingly, Mr. Bhopinder Jagdish Mittar Chopra holds office of Director upto the date upto which Mr. Anil Joshi would have held office if he had not passed away.

The Company has received from Mr. Bhopinder Jagdish Mittar Chopra (1) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (2) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013 and (3) a declaration to the effect that he meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013.

A brief profile of Mr. Bhopinder Jagdish Mittar Chopra, nature of expertise in specific functional area, name of other public companies in which he holds directorship and membership/chairmanship of the committees of the Board of Directors and the particulars of the shareholding and relationship between the directors, key managerial personnel and manager of the Company as stipulated under Regulation 36(3) of the SEBI (Listing Obligations And Disclosure Requirements), Regulations, 2015 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India is appended to the Notice.

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

All the relevant documents in connection with the appointment of Mr. Bhopinder Jagdish Mittar Chopra, are available for inspection without any fee by the Members at the Company's Registered Office during normal business hours on working days upto the date of the Annual General Meeting.

As per the provisions of the Companies Act, 2013, the Company is not required to seek approval from the shareholders for confirming the appointment of Mr. Bhopinder Jagdish Mittar Chopra who was appointed in casual vacancy. However, as matter of abundant caution, the Board thought it fit to seek approval from shareholders to that effect. Accordingly, the shareholders are requested to take on record the appointment of Mr. Bhopinder Jagdish Mittar Chopra, as an Independent Director appointed in casual vacancy.

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

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

VENUGOPAL N. DHOOT
CHAIRMAN & MANAGING DIRECTOR
DIN: 00092450

Place: Mumbai
Date: 14th May, 2016

BRIEF PROFILE OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT/ CONFIRMATION AT THE ENSUING ANNUAL GENERAL MEETING (PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

PARTICULARS	PROFILE OF THE DIRECTOR		
Name of the Director	Mr. Venugopal N. Dhoot	Mr. Subhash Dayama	Mr. Bhopinder Jagdish Mittar Chopra
DIN	00092450	00217692	00329550
Date of Birth	30th September, 1951	05th May, 1961	13th November, 1934
Age (in years)	64	55	81
Educational Qualification	Bachelor of Engineering	Bachelor of Commerce	Bachelor of Science & PGD in Electrical Communication Engineering
Date of Appointment	1st September, 2015	14th May, 2016	30th January, 2016
Category of the Director	Promoter-Executive	Independent – Non Executive	Independent – Non Executive
Area of expertise/senior position held/work experience	He is an industrialist. He has experience spanning over four decades in diversified fields such as consumer electronics and home appliances, oil and gas and power. He was the President of the Associated Chambers of Commerce and Industry in India and Electronic Industries Association of Marathwada.	He carries with him more than 2 decades of experience in the field of capital market, finance, management and administration.	He has a vast experience in the fields of manufacturing, marketing and finance.
Terms and Conditions of Appointment or Re-appointment alongwith the details of remuneration sought to be paid	As per the terms and conditions stated in the Agreement entered between Mr. Venugopal N. Dhoot and the Company. He is entitled for NIL remuneration.	As per the terms and conditions stated in the Appointment Letter. He is not entitled for any remuneration and he will be paid sitting fees only.	As per the terms and conditions stated in the Appointment Letter. He is not entitled for any remuneration and he will be paid sitting fees only.
Remuneration last drawn, if applicable	Nil	NA	NA
Number of Board Meetings attended during the year	4	NA	NA
Names of other directorships in Public Limited Companies in which the Director holds directorship	1. Videocon Telecommunications Limited 2. Hindustan Oil Ventures Limited 3. Videocon Energy Limited 4. Senior Consulting Private Limited	1. Videocon Energy Limited 2. Videocon Telecommunications Limited 3. Senior Consulting Private Limited 4. Jumbo Techno Services Private Limited	Nil
Names of the other Committees in which Chairman*	Nil	1. Videocon Telecommunications Limited (Audit) 2. Jumbo Techno Services Private Limited (Audit)	
Names of other Committees in which Member*	1. Videocon Energy Limited (Audit) 2. Senior Consulting Private Limited (Audit)	1. Videocon Energy Limited (Audit) 2. Senior Consulting Private Limited (Audit)	
Number of Shares held	89,575	Nil	Nil
Relationships between Directors, Key Managerial Personnel and Managers of the Company	NA	NA	NA

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

DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the Twenty-Sixth Annual Report together with the Audited Financial Statements and Auditors' Report for the financial year ended on 31st December, 2015.

PERFORMANCE REVIEW

The performance of the Company, on standalone basis, for the financial year ended on 31st December, 2015, is summarized below:

(₹ in Million)

Particulars	Year Ended 31st December, 2015	18 months Ended 31st December, 2014
Net Revenue from Operations	124,182.13	189,676.03
Other Income	8,443.33	11,651.42
Total Income	132,625.46	201,327.45
Profit Before Finance Costs, Depreciation and Tax	30,094.69	45,093.02
Finance Costs	23,684.59	35,188.96
Depreciation and Amortization	7,017.14	9,858.11
Profit/(Loss) Before Tax	(607.04)	45.95
Tax Expenses	(48.99)	15.55
Profit/(Loss) for the Year/ Period	(558.05)	30.40

The previous financial period was for 18 months commencing from 1st July, 2013 to 31st December, 2014 and the current financial year is of 12 months commencing from 1st January, 2015 to 31st December, 2015, hence the figures are not comparable.

OPERATIONS

CONSUMER ELECTRONICS & HOME APPLIANCES

The period was a very tough period marked by challenges in both internal and external environment and the Consumer Electronics & Home Appliances Industry was not an exception to this. The performance of the Company was affected due to economic slowdown, which resulted in lower business volumes.

OIL & GAS

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

- **January, 2015** - Petrobras, the Operator of the BM SEAL - 11 announced the discovery of new oil accumulation in Farfan area in the Sergipe basin. The results confirmed the light oil and gas discovery in Farfan area and presented the excellent permeability conditions in the turbidities reservoirs with 54 meters thickness.
- **February, 2015** - Petrobras, the Operator of the BM SEAL - 11 announced the drilling results of the third appraisal well 3-SES-186, located 103 km from the city of Aracaju and about 10 km from the discovery well "Farfan". The results confirmed the extension of the light oil reservoirs. In addition the well found presence of a new oil accumulation with a total thickness of 68 meters in shallower reservoirs.
- **April, 2015** - Petrobras, Operator of the block SEAL-M-426 in BM-SEAL-11 Concession, Brasil, has completed the formation

test of well 3-BRSA-1286-SES / 3-SES-186, located in the BM-SEAL-11 concession in the SEAL-M-426 block in ultra-deep waters of the Sergipe-Alagoas Basin. The results of the formation test confirmed the presence of light oil and good productivity of the reservoirs.

TELECOM

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

On 3rd March, 2013, VTL was awarded the Unified Licenses Access Services ("ULAS") for six circles, namely, Bihar, Gujarat, Haryana, Madhya Pradesh and Chhattisgarh, Uttar Pradesh (East) and Uttar Pradesh (West) effective 16th February, 2013, which are valid for a period of 20 years. VTL has also been allotted 5 Mhz spectrum in 1,800 Mhz category in each of these six circles, out of which, VTL is already providing commercial services in three circles, namely, Gujarat, Haryana and Madhya Pradesh and Chhattisgarh. VTL is operating National Long Distance (NLD) Services and terminating International Long Distance (ILD) traffic on its own NLD networking across India.

During the year under review, VTL entered into an agreement with Idea Cellular Limited (Idea Spectrum Trading Agreement) to transfer rights to use 2 x 5MHz Spectrum in 1800 MHz band allotted to VTL by Government of India, Ministry of Communications and IT, Department of Telecommunications for Gujarat and Uttar Pradesh (West) based service area at an aggregate consideration of ₹ 3,310 Crores. However, post the Balance Sheet date, VTL and Idea Cellular Limited mutually terminated the Idea Spectrum Trading Agreement on 15th March, 2016.

Further, in March 2016, VTL entered into an agreement with Bharti Airtel Limited (Airtel Spectrum Trading Agreement) to transfer, at an aggregate consideration of ₹ 4,428 crore, rights to use 2 x 5 MHz spectrum in the 1800 MHz Band allotted to VTL by the Government of India, Ministry of Communication & IT, Department of Telecommunication (DoT) for six circles, namely, Bihar; Gujarat; Haryana; Madhya Pradesh and Chhattisgarh; Uttar Pradesh (East) and Uttar Pradesh (West). The closing of the transaction is subject to satisfaction of the standard conditions including the conditions stated in the Spectrum Trading Guidelines.

POWER

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

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

INSURANCE

The Company entered into a joint venture with US headquartered multinational Liberty Mutual Insurance Group to setup a non-life insurance company, Liberty Videocon General Insurance Company

Limited ("LVGICL"), on 16th December, 2010. Under the terms of the agreement, Liberty Mutual Insurance Group can hold a maximum of 49.0% of equity interest (maximum investment permitted under the applicable law) and our Company must hold a minimum of 51.0% equity interest in the joint venture. The Company currently holds 81.91% stake in the joint venture and the remaining equity is owned by Liberty Mutual Insurance Group.

LVGICL commenced its business in 2013 and its business plan is focused primarily on using distribution channels like brokers, agents, banks, NBFCs and other affinity partners, online internet and a direct sales force to achieve growth in written premiums. LVGICL plans to focus primarily on personal insurance products such as motor insurance and health insurance in addition to commercial insurance products such as fire, engineering, marine and liability insurance.

LVGICL also plans to add new products for its distribution which falls under group health, personal health, personal accident cover and the SME segment. LVGICL expects that its new health products will contribute significantly to its growth rate. LVGICL has launched health insurance product Liberty Health Connect on an online platform.

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business of the Company during the year under review.

DIVIDEND

In view of the loss incurred by the Company, the Board of Directors do not recommend any dividend for the Financial Year ended 31st December, 2015.

TRANSFER TO RESERVES

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company has transferred a sum of ₹ 1.18 Million in respect of unpaid/unclaimed dividend for the Financial Year 2007-08 to the Investor Education and Protection Fund.

ISSUES/ALLOTMENT

During the year under review, the Foreign Currency Convertible Bonds (Bonds) amounting to US\$ 194.40 Million due in December, 2015 were fully redeemed by issue of new Bonds of US\$ 97.20 Million due on 31st December, 2020 and balance US\$ 97.20 Million payment in cash.

FIXED DEPOSITS

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

MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY, OCCURRED AFTER THE BALANCE SHEET DATE AND AS AT THE DATE OF SIGNING THIS REPORT

No material changes and commitments affecting the financial position of the Company occurred after the Balance Sheet date and as at the date of signing this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees given and investments made during the year as required are provided in Notes 13, 35(B)(i) and 47 of the Standalone Financial Statements.

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

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There

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

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's weblink at <http://www.videoconindustriesltd.com/Documents/Related%20Party%20Transaction%20Policy.pdf>

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year under review, Videocon International Cööperatie U.A., Videocon Brasil Ventures B.V., Videocon Brasil Petroleo Ltda. and Videocon Hydrocarbon Ventures B.V. became the step down subsidiaries of the Company.

As on 31st December, 2015, your Company had 29 subsidiaries (including step down subsidiaries) viz, Applied Energy Private Limited, Chhattisgarh Power Ventures Private Limited, Comet Power Private Limited, Indigo Energy Private Limited, Jumbo Techno Services Private Limited, Liberty Videocon General Insurance Company Limited, Middle East Appliances LLC, Percept Energy Private Limited, Pipavav Energy Private Limited, Proficient Energy Private Limited, Prosperous Energy Private Limited, Senior Consulting Private Limited, Videocon Australia WA-388-P Limited, Videocon Brasil Petroleo Ltda, Videocon Brasil Ventures B.V., Videocon Easypay Private Limited (Formerly: Datacom Telecommunications Private Limited), Videocon Electronics (Shenzhen) Limited, Videocon Energy Brazil Limited, Videocon Energy Limited, Videocon Global Limited, Videocon Hydrocarbon Holdings Limited, Videocon Hydrocarbon Ventures B.V., Videocon Indonesia Nunukan Inc., Videocon International Cööperatie U.A., Videocon International Electronics Limited, Videocon JPDA 06-103 Limited, Videocon Mauritius Energy Limited, Videocon Oil Ventures Limited, Videocon Telecommunications Limited.

The joint ventures of the Company are Videocon Infinity Infrastructures Private Limited and IBV Brasil Petroleo Limitada.

Further, the associate companies of the Company are Radium Appliances Private Limited and Unity Power Private Limited.

The details of subsidiaries (including step down subsidiaries) /joint ventures/associate companies including the details of performance and financial positions of each of the subsidiaries/joint ventures/ associates are given in Form AOC-1 which is annexed as Annexure 1.

As per the provisions of the Companies Act, 2013, your Company has provided the Consolidated Financial Statements as on 31st December, 2015. The Financial Statements of the subsidiaries/ joint ventures/ associate companies will also be available for inspection during the business hours at the Registered Office of your Company and the respective subsidiaries/ joint ventures/ associate companies. The Annual Report of your Company, though does not contain full financial statements of the subsidiary companies, your Company shall make available the audited annual accounts and related information of the subsidiary companies, upon request by any Member of your Company and the same are displayed on the Company's website viz. www.videoconworld.com.

COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Company has in place the Nomination and Remuneration Committee. The Company has further formulated the Nomination and Remuneration Policy on directors' appointment and remuneration including the criteria for determining qualifications, positive attributes

and independence of director. The other details form part of the Corporate Governance Report.

EMPLOYEES REMUNERATION

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in Annexure 2 & 3 of the Directors' Report.

CONSERVATION OF ENERGY

Energy conservation is the goal to reduce the amount of energy required to provide products and services. Reduction in usage of energy reduces energy costs and results in a financial cost saving to consumers. It is also seen as a solution to the problem of reducing greenhouse gas emissions. Energy efficiency and renewable energy are said to be the twin pillars of sustainable energy policy.

In today's tough economic climate, all organizations are pushing harder to find cost saving techniques. At the same time, many are under strain to comply with the latest environmental legislations and wish to reduce their carbon footprint. Every organization tries to reduce its overheads by emphasizing the energy conservation perspective.

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

- Introduction of Solar Power Trading through Indian Energy Exchange for the power cost optimization.
- Replacement of old conventional luminaries by highly efficient 18 watt LED tube lights in all shopfloors and workstations.
- Use of energy saving lighting arrangement on roads and inside the manufacturing facilities by using 60 watt LED Street light lamps, Electronic Ballasts, CFL lamps.
- Use of variable-speed drives for large variable loads. Also emphasis to use high-efficiency gear sets & precision alignments.
- Replacement of obsolete and high power consuming air conditioners by using new Star rating and energy efficient AC's in respective locations.
- Tune up the HVAC Control system to minimize flows and reduce blower/ fan/ pump power requirements.
- Optimizing the blow-down flow rate and ensuring turn off of unnecessary cooling tower fans when loads are reduced.
- Demand efficiency restoration after motor rewinding.
- Use of motion sensors for better lighting control for stores, offices, washrooms.
- Conducting energy saving training sessions for employees at all levels so as to increase awareness for utilization of natural resources.

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

During the year under review, your Company was conferred with the prestigious National Energy Conservation Award for 2015 by the Bureau of Energy Efficiency (BEE), for the First Prize in the Manufacturers of BEE Star Labeled Appliances (Refrigerator) Sector.

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

Research & Development (R & D) is a component of innovation and is situated at the front end of the innovation lifecycle. Innovation is built on R & D and includes commercialization phases. R & D is a scientific investigation that explores the development of new goods and services, new inputs into production, new methods of producing goods and services, or new ways of operating and managing organizations.

In concrete terms, R & D brings new knowledge and processes to a business, the new higher value-added products, processes and services that company needs in order to thrive in a knowledge intensive market.

New product design and development is a crucial factor in the survival of a Company. In an industry that is changing fast, the companies must continually revise their design and range of products. This is necessary due to continuous technology change and development as well as other competitors and the changing preference of customers. In order to compete with the ever changing market and to fetch the benefits of technological advancement, your Company has set up a dynamic and active R & D Centre. The R & D Centre has qualified staff working continuously on new products, processes etc.

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

R & D involves constant revitalization of knowledge and expertise, and could result in developments such as:

- New/Improved products;
- Improved operational process;
- Meeting the changing requirements of customers;
- Cost reduction;
- Meeting the changing social and environmental needs; and
- Maintenance of quality.

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

- Introduced new technology called Liquid Luminous – Technology for more natural colour reproduction.
- Development and production of Digital Direct Broadcast (DDB) technology in India with a broader convergence of TV, d2h, Internet and Cloud Computing.
- Personal Video Recorder (PVR) feature added in DDB platform – This feature enables customer to record favorite program of d2h to watch it later at convenient time.
- The large screen LED TVs i.e. 80", 65", 58", 55" LED TVs have been launched with the incredible DDB Technology.
- New 4K -65" Curved TV is introduced.
- New 4K Smart TV series launched 40"/43"/50"/55"/65".
- A 58" cinema scope TV having an aspect ratio of 21:9 which is altogether a different segment than the conventional LED TVs. It enables users to experience a theatre like environment at home.
- Platform for "Internet TV" based on Windows Operating System having DTH facility. This advancement completes the need of today with digital signal reception and internet accessibility. This platform gives freedom for live chatting, video conferencing, browsing, e-mail accessing etc.
- PIXUS LED is again advancement in display technology which has direct LEDs in it instead of complete display unit. This integrated module is a revolutionary product which has more colours, vivid pictures and better viewing angle. The in-house designed audio system "BOOM BOX" adds much value to this TV.
- Metallica Series: As aesthetical advancement in display technology, the real metal finish LED has altogether a sophisticated look with advance TV algorithms for vivid picture and sound. The lustrous look and slim design has made them pioneers in market.
- Introduction of Refrigerators with a Deep Freezer that can maintain temperature of "-30 °C".
- Introduction of Refrigerators with revolutionary features like "Photosis Fresh", "4-Way cooling system", "Door Alarm", "Digital Clock".

- Launched various models of refrigerators with smart features such as digital sensor, electronic display control, new looks etc.
- Introduction of DigiGracia Series of 6.5 kg, 6.0 kg, 5.5 kg Fully Automatic (FA) Washing Machines with 10 Wash Programs, 10 Water levels, rinse hold feature resulting in less water consumption.
- Digi Zara Platinum series of Fully Automatic Top Loaded machines which are sleek and with modern technology like UV sterilization for hygiene wash, hot air dry technology in top load washing machine which take laundry cleaning and hygiene to new level.
- New Fully Auto washing machine Digi-Virat with 10 kg Washing capacity and in-built heater feature has been introduced which is first of its kind for combination of higher washing capacity with in-built heater.
- DigiGracia series from 5.5 kg to 7.0 kg FA Washing Machines with vibrant colours and aesthetically superior looks, water saver function, multiple wash selection option, lesser water consumption and higher performance.
- New designer Platinum range of Zara series of semi-automatic washing machines with new features and trendy looks.

Future plan of action:

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

- New Range Super narrow bezel will be introduced 23.6"/32"/40"/43";
- Star rated TV will be introduced by which annual energy consumption will be reduced;
- New Range of 4K2K Smart Curve TV and 4K2K LED TV will be introduced;
- "Liquid Luminous Plus" technology will be introduced – Technology of more than 100% colour reproduction;
- Increase in the market share and enhance the Brand Value; and
- Bring in best features of various products together.

During the year under review, the Company has incurred ₹ 37.30 Million, representing 0.03% of the turnover towards recurring R & D expenses.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars of Foreign Exchange Earnings and Outgo during the financial year ended on 31st December, 2015 are set out hereunder:

(₹ in Million)

Particulars	Year ended 31st December, 2015	18 months ended 31st December, 2014
Foreign Exchange Earnings	9,938.26	31,029.15
Foreign Exchange Outgo	21,617.09	33,088.62

RISK MANAGEMENT POLICY OF THE COMPANY

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

The Company has formed the Risk Management Committee. The scope and composition of the Committee forms part of the Corporate Governance Report. Further, the members of the Risk Management Committee and the senior management personnel review the Risk

Management Policy periodically and discuss and mitigate the identified risks from time to time.

CORPORATE SOCIAL RESPONSIBILITY POLICY

Contribution to Society is one of the core values of the Company. Corporate Social Responsibility (CSR) encompasses within itself sustainability which means creating an awareness of climate change and social imbalance and demands suitable actions for its enhancement. The Company is continuously reviewing its efforts towards improving the quality of life of the communities it serves.

It is not only important for organizations to formulate CSR strategies but also important to make the employees adopt the same.

Your Company believes that while profit is important for all businesses, profit cannot be the only reason for the existence. Your Company conducts its business in a sustainable and socially responsible manner. This principle is an integral part of your Company's corporate values. The Company continues to impact the lives of people through relentless CSR initiatives. Your Company has put in place the policy including CSR priorities and actions for improvement everywhere in the organization. The Policy is available on the Company's website viz. www.videoconworld.com.

Your Company ensures to remain in a constant dialogue with customers, suppliers and other parties which enable the Company to explore new business opportunities and it shall continue to discharge its CSR in the best possible manner.

The Company has formed a CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder read along with Schedule VII of the Act. The scope and composition of the Committee forms part of the Corporate Governance Report.

Further, since the average net profit for the three immediately preceding financial years was negative, the Company has not made any CSR expenditure, in specific.

HEALTH & SAFETY

Safety is an area of paramount importance in our Company. A well defined occupational health and safety management system is in place to ensure the safety of employees, workforce as well as equipment and machinery. Our Company continues to exhibit a robust assurance towards Safety, Health and Environment during the year under review.

The Health & Safety initiatives adopted by the Company & some new system(s) developed are -

- Installation of new/additional fire extinguishers and fire balls for attending immediate small fire in case of any emergency.
- Established a CCTV controlled room in respective shopfloor areas for the close monitoring of safety and Emergency purpose.
- Display of all Emergency Exit and Evacuation Plan in auto glow board at shopfloors.
- Increased the Fire Marshal(s) quantity in shop floor by adding skills for any emergency.
- Provision of Safety equipments in campus such as PG gas detector, road convex mirror, fire blanket, fire bucket, first aid box and breathing apparatus set.
- Strictly adhere to hot work permit system with availability of security guard for close monitoring.
- Provision of new Ambulance van along with suitable medical accessories to reduce response time during emergency situation & human injury.
- Periodic refresher training conducted for security guard regarding fire prevention & control to enhance competency level.
- Conducting regular safety audit & mock drill as per calendar in the campus.
- Incidents/Accidents Investigation and Reporting with Root cause, corrective and preventive actions.

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- Defined the fire points at high hazard area (Zone-0).
- Carried out HPT (Hydraulic Pressure Testing) of pressurized extinguisher as per Maharashtra Fire Prevention & Life Safety Measures Act.
- Displayed cautionary signs at high hazardous areas to warn workers about imminent hazard dealt at site.
- Enhanced road safety – displayed road convex mirror, speed limit board and guidelines for visitors.
- Emergency evacuation plans with location of fire extinguisher are displayed at the entrance of the building.
- Visualization in the campus to access assembly point, first aid box & emergency exit door.
- Displayed MSDS (Material Safety Data Sheet) at chemical storage area as per Rule 73-M from Maharashtra Factory Rules, 1963.
- Creating mass awareness amongst all workers by celebrating Safety promotional activities like – National safety week, Fire service week, Electrical safety week.
- Availability of well equipped Occupational Health Center (OHC) in case of emergency.
- Regular counseling and medical checkups to ensure fitness of its employees.
- Arrangements at manufacturing plants for ensuring safety and absence of risks to health in connection with the use, handling, storage and transport of articles and substances.
- Compliance with the legal requirement of Directorate of Industrial Safety & Health (DISH), Chief Fire Office etc.
- Conducting Safety Committee Meeting to strengthen the safety.

ENVIRONMENTAL PROTECTION

Environmental protection is a practice of protecting the natural environment on individual, organizational or governmental levels, for the benefit of both natural environment and humans. Due to the pressures of population and technology, the biophysical environment is being degraded, sometimes permanently. This has been recognized and governments have begun placing restraints on activities that cause environmental degradation.

Your Company is committed to Green Initiative wherein it has established a green management goal for significantly reducing greenhouse gases and launching eco friendly products.

Your Company adopted the following eco friendly initiatives for the environment:

- Established the Chemical Lab for Waste Water Testing purpose in campus as per Central Pollution Control Board norms.
- Installed Gray Water Treatment plant in canteen area to treat the 10 KLD waste water /day.
- Recertification of ISO-14001 for Environmental Management System.
- Hazardous waste is sent to authorized party for disposal as per defined duration.
- Regular Air & Water Monitoring as per (NAAQS - 2010) Standards.
- Celebration of world environment day, to increase the mass awareness among the employees.
- Upgradation of effluent treatment & sewage treatment plant and using treated water for gardening.

Your Company is in compliance of e-waste rules and guidelines and has a tie up on all India basis, with authorized recycler for collection and disposal of e-waste products. The Company has taken the initiative to

spread awareness regarding e-waste management and its handling and disposal through print media, social sites and advertisement campaign by way of putting standee, educating the dealers and the end consumers.

INFORMATION TECHNOLOGY

Your Company continues to invest in Information Technology (IT) thereby leveraging it as a source of competitive advantage.

A good IT infrastructure in the Company is absolutely necessary for complying with the regulatory or safety norms, to improve performance and quality via real-time process monitoring, and finally, improve reliability via appropriate maintenance driven by up-to-date information on equipment status.

We have taken major steps in business process transformation program in direct coordination with our senior leadership team. This exercise is transforming business processes as per the industry's best business practices and helping your organization in strengthening existing processes across functions in the organization.

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

Your Company understands the significance and impact of the digital revolution and has significantly progressed in this direction by revamping of Brand Websites, implementing many new Microsites and opting for many Tab/Mobile based applications. Your Company has made its presence felt across globe through social media campaigns and digital advertisement. We are transforming our customer's experience and operations to be the digital leader in our space.

Your Company has matured Sales Transformation & Enhancement Program (STEP) application, an innovative & customised in-house developed sales tool for providing day to day information required by sales force on the field. This tool helps in improving efficiency, enhancing ability & productivity of sales force, leading to long-term business sustainability and customer delight. In addition to STEP, we have also progressed significantly in ISD Sales Application roll out for PAN India Locations. This application will significantly improve our ISD Sales performance.

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

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

Your Company is committed towards providing a healthy environment and thus does not tolerate any discrimination and/or harassment in any form. The Company has in place an Internal Complaints Committee to *inter-alia* :

- 1) Prevent sexual harassment at the workplace; and
- 2) Redress the complaints in this regard.

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

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

During the year under review, pursuant to the provisions of second proviso to Section 149(1) and Section 161 of the Companies Act, 2013 and the Rules made thereunder and in terms of the Articles of Association of the Company, Mrs. Ramabai V. Dhoot was appointed as an Additional Director (Promoter, Non-Executive) of the Company w.e.f. 28th February, 2015. Subsequently, her appointment was confirmed

and she was appointed as Promoter Non-Executive Director by the shareholders of the Company at the Annual General Meeting held on 27th June, 2015, liable to retire by rotation.

Further, appointment of Mr. Radheyshyam Agarwal, Mr. Anil Joshi and Maj. Gen. Sudhir Chintamani Nilkanth Jatar as Independent Directors of the Company for a period of five consequent years from 14th August, 2014 was confirmed by the shareholders of the Company at their Annual General Meeting held on 27th June, 2015.

Mr. Venugopal N. Dhoot was re-appointed as Managing Director of the Company for a period of five years w.e.f. 1st September, 2015 to 31st August, 2020, liable to retire by rotation, at nil remuneration. His re-appointment was approved by the shareholders of the Company at the Annual General Meeting of the Company held on 27th June, 2015.

During the year under review, Mr. Anil Joshi, one of the Independent Directors of the Company left for heavenly abode on 16th November, 2015. The Board would like to express its deep condolence towards the sad demise of Mr. Anil Joshi and also expresses their rich tribute towards the contribution made by him during his tenure as the Director of the Company.

After the balance sheet date:

1. Mr. Bhopinder Jagdish Mittar Chopra, was appointed as an Independent Director w.e.f. 30th January, 2016, to fill the casual vacancy caused by the sad demise of Mr. Anil Joshi, to hold office upto the date upto which Mr. Anil Joshi would have held office if he had not passed away.

Mr. Bhopinder Jagdish Mittar Chopra, 81 years, is a Bachelor in Science and has done PGD in Electrical Communication Engineering. He has a vast experience in the fields of manufacturing, marketing and finance.

2. Pursuant to the provisions of Section 167(1)(b) of the Companies Act, 2013, Mrs. Ramabai V. Dhoot, ceased to be the Director of the Company on account of not attending the meetings of the Board of Directors during the period of preceding twelve months ended on 29th February, 2016.
3. Mr. Subhash Dayama was appointed as an Additional Director on the Board of the Company at the meeting held on 14th May, 2016. In terms of the provisions of the Companies Act, 2013 and the Rules made thereunder, he holds office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing alongwith the requisite deposit from a member under Section 160 of the Companies Act, 2013, signifying its intention to propose the candidature of Mr. Subhash Dayama for the office of Directors of the Company. The Board recommends his appointment.

A brief profile of Mr. Venugopal N. Dhoot, Mr. Subhash Dayama and Mr. Bhopinder Jagdish Mittar Chopra, nature of expertise in specific functional area, name of other public companies in which they hold directorship, membership/chairmanship of committees of the Board of Directors, particulars of the shareholding and relationship between the directors, KMP, manager as stipulated under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended to the Notice.

Details of Key Managerial Personnel:

The Company is in compliance with the provisions of Section 203 of the Companies Act, 2013. Following are the Key Managerial Personnel as per the said provisions:

1. Mr. Venugopal N. Dhoot – Managing Director
2. Mr. Ashutosh Gune – Chief Financial Officer
3. Mr. Vinod Kumar Bohra – Company Secretary

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

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

NUMBER OF MEETINGS OF THE BOARD HELD DURING THE YEAR

During the financial year under review, the Board met 4 times. The details regarding the attendance and the date of Board Meetings are provided in the Corporate Governance Report.

COMMITTEES OF THE BOARD

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

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee
6. Rights Issue Committee
7. Re-organization Committee
8. Finance and General Affairs Committee

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

FORMAL ANNUAL EVALUATION

During the year under review, pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Nomination and Remuneration Committee adopted a formal mechanism for evaluating the performance of the Board of Directors as well as that of its Committees and individual Directors, including Chairman of the Board, Key Managerial Personnel/ Senior Management etc. The exercise was carried out through an evaluation process covering aspects such as composition of the Board, experience, competencies, governance issues etc.

LISTING

The equity shares of your Company are listed on the BSE Limited (Formerly: The Bombay Stock Exchange Limited) and The National Stock Exchange of India Limited (NSE). The Global Depository Receipts (GDRs) and Foreign Currency Convertible Bonds (FCCBs) issued by your Company are listed on the Bourse de Luxembourg and Singapore Exchange Securities Trading Limited respectively.

CORPORATE GOVERNANCE

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

CONSOLIDATED FINANCIAL STATEMENTS

As stipulated by Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards. The audited Consolidated Financial Statements together with Auditors' Report form part of the Annual Report.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of the subsidiary, associates and joint venture companies will be kept for inspection by the shareholders at the Registered Office of the Company during working hours for a period of 21 days before the date of the Annual General Meeting. The Company shall provide the copy of the financial statements of its subsidiaries, associates and joint venture companies to the shareholders upon their request. The audited accounts are also available on the website of the Company viz. www.videoconworld.com.

CASH FLOW STATEMENT

The Cash Flow Statement for the year ended 31st December, 2015, in conformity with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India, is annexed hereto.

AUDITORS AND THEIR REPORTS

1. STATUTORY AUDITORS AND AUDIT REPORT:

The Members of the Company at the 25th Annual General Meeting held on 27th June, 2015 had approved the appointment of M/s. Kadam & Co., Chartered Accountants, (Firm Registration No. 104524W), Ahmednagar, and M/s. Khandelwal Jain & Co., Chartered Accountants, (Firm Registration No. 105049W), Mumbai for a term of 3 years i.e. from the conclusion of 25th Annual General Meeting until the conclusion of 28th Annual General Meeting of the Company.

Pursuant to Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, the aforesaid appointment needs to be ratified by the members at the ensuing Annual General Meeting. Accordingly, the appointment of M/s. Kadam & Co., Chartered Accountants, (Firm Registration No. 104524W), Ahmednagar, and M/s. Khandelwal Jain & Co., Chartered Accountants, (Firm Registration No. 105049W), Mumbai as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of 28th Annual General Meeting is recommended for ratification by the members.

A certificate from M/s. Kadam & Co., Chartered Accountants, (Firm Registration No. 104524W), Ahmednagar, and M/s. Khandelwal Jain & Co., Chartered Accountants, (Firm Registration No. 105049W), Mumbai that their appointment is within the prescribed limits under Section 141 of the Companies Act, 2013 has been obtained by the Company.

The Board recommends the ratification of appointment of the said Auditors at the ensuing Annual General Meeting.

AUDIT REPORT

The Statutory Auditors of the Company have submitted Auditors' Report, which have certain Qualifications on the Standalone and Consolidated Financial Statements for the year ended on 31st December, 2015.

Management's Explanation to the Auditors' Qualifications:

Standalone:

In respect of the qualification with regards to extent of realisability of investments of ₹ 75,002.00 Million and the advances to Videocon Telecommunications Limited (VTL), the subsidiary, the explanation of management is as under:

The Company has, directly and through its subsidiaries, made investments of ₹ 75,002.00 Million and also given advances to VTL. The licenses awarded by the Department of Telecommunications (DoT) to VTL to provide Unified Access Services (UAS) in 21 circles in India w.e.f. 25th January, 2008, were quashed by the Hon'ble Supreme Court of India, vide its order and judgement dated 2nd February, 2012.

Subsequently, VTL participated in the auction conducted by DoT and has been awarded the Unified Licenses Access Services for 6 circles with effect from 16th February, 2013, which are valid for a period of 20 years. VTL has also been allotted spectrum in these 6 circles. VTL is continuing its commercial operations.

Though VTL has huge accumulated losses, its networth is positive and the management is confident of mobilizing the necessary resources for continuing the operations of VTL as per the business plan. VTL is continuing its commercial operation. VTL has also entered into the agreement for trading the right to use spectrum with Bharti Airtel Limited. Accordingly, in the opinion of the management, no provision is required for diminution in the value of aforesaid investments and advances to VTL.

Consolidated:

In respect of the Auditors' qualification in the Auditors' Report on the Consolidated Financial Statement for the year ended 31st December, 2015, regarding assessment of impairment not carried out and the appropriateness of the carrying value of USD 126.39 Million (equivalent to ₹ 8,412.90 Million) of exploration and evaluation assets of Videocon JPDA 06-103 Limited (JPDA) the explanation of management is as under:

The joint venture parties are still in negotiations with Autoridade Nacional Do Petroleo, Temor-Leste (ANP) and post negotiations, the necessary evaluation of the residual assets and impairment, if required will be carried out.

Emphasis of Matter in Consolidated Financial Statements

The auditors of subsidiary companies, namely Videocon Hydrocarbon Holdings Limited, Videocon JPDA06-103 Limited, Videocon Indonesia Nunukan Inc., Videocon Australia WA-388-P Limited and the joint venture IBV Brasil Petroleo Limitada have given emphasis of matter that as the said subsidiaries and joint venture are in exploration stage and in the absence of commercial operations, the ability to continue as a going concern is substantially dependent on their ability to fund their operating and capital expenditure requirement.

The explanation of the management is as under:

The management is confident of mobilizing the necessary resources for continuing the operations of all the subsidiaries and the joint venture, particularly in view of the fact that in certain cases of companies/joint venture engaged in exploration and production of oil and gas, the operators have reported major discoveries which they intend to develop in an integrated manner to make it optimal and more economical. Accordingly, the financial statements have been prepared by the said subsidiaries and joint venture on a going concern basis.

2. COST AUDITOR AND COST AUDIT REPORT:

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 and amendments made thereto; from time to time, the Board of Directors of the Company have accorded its approval for appointment of Mr. Jayant B. Galande, Cost Accountant in Whole-Time Practice, Aurangabad (Membership Number 5255) as the Cost Auditor of the Company, to conduct audit of Cost Accounting Records maintained by the Company for the financial period commencing on 1st January, 2016. In respect of the products covered as mentioned below:

1. Electricals or Electronic Machinery;
2. Other Machinery;
3. Glass;
4. Petroleum Products; and
5. Generation, transmission, distribution and supply of electricity other than for captive generation.

In compliance with the provisions, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company. Accordingly, consent of the Members is sought by way of an Ordinary Resolution for ratification of the remuneration amounting to ₹ 1,10,000/- (Rupees One Lakh Ten Thousand Only) excluding applicable service tax and out-of-pocket expenses payable to the Cost Auditor for the financial year commencing on 1st January, 2016.

In compliance with provisions of the Companies (Cost Audit Report) Rules, 2011 and General Circulars thereof, we hereby submit that the Company has filed the Cost Audit Report for the financial period started from 1st July, 2013 and ended on 31st December, 2014 on 23rd June, 2015 (due date 29th June, 2015). For the financial year ended on 31st December, 2015, the due date for filing the Cost Audit Report is 28th June, 2016 and the Company shall file the same on or before due date.

3. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

The Board had appointed Mr. Soumitra Mujumdar, Company Secretary in Whole-time Practice, (CP No.: 12363) to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year ended on 31st December, 2015. The report of the Secretarial Auditor is annexed to this report as Annexure 4. In connection with the auditor's observation in the report, it is clarified that the delay in filing of Annual Return in Form MGT - 7 for the period 1st July, 2013 to 31st December, 2014 was due to technical difficulty in filing. The Company has filed the said form.

DETAILS OF FRAUDS, IF ANY, REPORTED BY AUDITORS (OTHER THAN REPORTABLE TO CENTRAL GOVERNMENT)

No fraud/misconduct was detected at the time of statutory audit by Auditors of the Company for the financial year ended on 31st December, 2015.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

EXTRACT OF ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed herewith as Annexure 5.

ORDERS PASSED BY REGULATORS/ COURTS/ TRIBUNALS

No material orders were passed by Regulators/ Courts / Tribunals during the year impacting the going concern status and Company's operations in future.

DIRECTOR RESPONSIBILITY STATEMENT

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

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

ACKNOWLEDGEMENT

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

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

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

VENUGOPAL N. DHOOT
CHAIRMAN & MANAGING DIRECTOR
DIN: 00092450

Place: Mumbai
Date: 14th May, 2016

ANNEXURE-1
FORM AOC-1
STATEMENT CONTAINING SAILENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES/ JOINT VENTURES
[Pursuant to First Proviso of Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

(A) SUBSIDIARY COMPANIES

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Amount in	Exchange Rate	Capital	Share Application Money Received	Reserves	Total Assets	Total Liabilities	Investment	Turnover/ Total Income	Profit Before Tax	Provision for Tax (Net of Write back)	Profit after Tax	Proposed Dividend	% of Share Holding
1	Indigo Energy Private Limited	₹	₹ Mn	0.10	0.10	-	(0.36)	0.08	0.34	-	-	-	-	(0.03)	-	51.00
2	Percept Energy Private Limited	₹	₹ Mn	0.10	0.10	-	(1.68)	0.08	1.66	-	-	(0.03)	-	(0.03)	-	51.00
3	Comet Power Private Limited	₹	₹ Mn	207.32	207.32	-	(10.90)	694.33	497.91	53.23	175.91	20.46	0.65	19.81	-	51.00
4	Applied Energy Private Limited	₹	₹ Mn	0.10	0.10	-	(3.89)	172.01	175.80	167.09	0.03	(0.00)	-	(0.00)	-	100.00
5	Proficient Energy Private Limited	₹	₹ Mn	0.10	0.10	-	(17.13)	48.20	65.23	0.10	32.27	(13.99)	(0.49)	(13.50)	-	100.00
6	Videocon Energy Limited	₹	₹ Mn	1,000.00	1,000.00	-	(7.32)	993.31	0.63	0.10	-	(0.06)	-	(0.06)	-	100.00
7	Prosperous Energy Private Limited	₹	₹ Mn	0.10	0.10	-	(0.27)	451.80	451.97	-	-	(0.09)	0.03	(0.12)	-	100.00
8	Chhattisgarh Power Ventures Private Limited	₹	₹ Mn	0.10	0.10	-	(0.41)	1,382.67	1,382.98	-	-	(0.14)	0.09	(0.23)	-	100.00
9	Pipavav Energy Private Limited	₹	₹ Mn	10,583.46	66.60	-	7,617.81	18,310.83	109.56	-	-	(0.08)	-	(0.08)	-	100.00
10	Videocon JPDA-06-103 Limited	US\$	₹ Mn	0.07	0.07	-	(399.76)	8,426.24	8,825.93	-	-	(4.42)	-	(4.42)	-	100.00
11	Videocon Energy Brazil Limited	US\$	₹ Mn	0.07	0.07	-	(6.00)	126.52	132.52	-	-	(0.07)	-	(0.07)	-	100.00
12	Videocon Indonesia Nunukan Inc.	US\$	₹ Mn	0.07	0.07	-	(1,169.33)	91,015.03	92,184.29	1,609.30	-	(9.81)	-	(9.81)	-	100.00
13	Videocon Australia WA-388-P Limited	US\$	₹ Mn	0.07	0.07	-	(17.56)	1,366.59	1,384.15	24.16	-	(0.15)	-	(0.15)	-	100.00
14	Videocon Mauritius Energy Limited	US\$	₹ Mn	0.07	0.07	-	(27.58)	7,730.13	7,757.64	-	-	(8.03)	-	(8.03)	-	100.00
15	Videocon Hydrocarbon Holdings Limited	US\$	₹ Mn	0.07	0.07	-	(0.41)	116.07	116.48	-	-	(0.12)	-	(0.12)	-	100.00
16	Videocon International Cooperative U.A.	€	₹ Mn	73.09	73.09	-	(18.91)	0.76	19.67	-	-	(4.67)	-	(4.67)	-	100.00
17	Videocon Hydrocarbon Ventures B.V.	€	₹ Mn	73.09	73.09	-	(0.28)	0.01	0.29	-	-	(0.07)	-	(0.07)	-	100.00
18	Videocon Brasil Ventures B.V.	€	₹ Mn	73.09	73.09	-	(31,534.64)	102,234.51	85,544.49	82,883.52	85.84	(4,370.20)	-	(4,370.20)	-	100.00
19	Videocon Brasil Petroleo Ltda	BRL	₹ Mn	16.8298	0.01	-	(473.49)	1,535.05	128.44	1,244.50	1.29	(65.62)	-	(65.62)	-	100.00
20	Videocon Oil Ventures Limited	₹	₹ Mn	1,850.00	1,850.00	-	(12,939.41)	319,659.01	193,199.80	125,215.61	15,993.14	(240.21)	-	(240.21)	-	100.00
21	Videocon Global Limited	US\$	₹ Mn	57.88	57.88	-	1,695.79	4,799.68	2,900.89	1,880.11	240.14	(3.61)	-	(3.61)	-	100.00
22	Middle East Appliances LLC	RO	₹ Mn	173.59	0.87	-	(10.66)	6.10	16.03	-	-	(2.17)	-	(2.17)	-	100.00
23	Videocon Electronic (Shenzhen) Limited (Chinese Name- Wei You Kang Electronic (Shenzhen) Co.Ltd)	CNY	₹ Mn	10.263	9.44	-	(4.02)	0.68	3.38	-	-	(0.82)	-	(0.82)	-	100.00
24	Videocon International Electronics Limited	₹	₹ Mn	101,651.13	0.92	-	(0.05)	0.01	0.04	-	-	(0.01)	-	(0.01)	-	100.00
25	Jumbo Techno Services Private Limited	₹	₹ Mn	1,000.00	10.00	-	(4.28)	0.89	3.85	-	0.04	(0.90)	-	(0.90)	-	100.00
26	Senior Consulting Private Limited	₹	₹ Mn	10,000.00	0.50	-	(0.06)	0.01	0.05	-	-	(0.01)	-	(0.01)	-	100.00
27	Videocon Telecommunications Limited	₹	₹ Mn	80,000.00	0.50	-	(0.00)	0.17	0.00	-	-	(0.00)	-	(0.00)	-	100.00
28	Videocon Easyppay Private Limited (Formerly: Datacom Telecommunications Private Limited)	₹	₹ Mn	6,793.50	0.92	-	(0.00)	0.01	0.00	-	-	(0.00)	-	(0.00)	-	100.00
29	Liberty Videocon General Insurance Company Limited	₹	₹ Mn	6,793.50	0.92	-	(859.58)	12,598.32	11,597.90	12,042.09	0.39	(1,607.09)	-	(1,607.09)	-	100.00
							(320.66)	2,810.50	3,073.28	18.55	(188.84)	-	(188.84)	-	-	100.00
							(4.81)	42.20	46.14	0.28	(2.84)	-	(2.84)	-	-	100.00
							(939.70)	177.12	5.33	-	-	(14.99)	-	(14.99)	-	100.00
							4.15	1.02	0.03	-	-	(0.09)	-	(0.09)	-	100.00
							(24.18)	20.54	35.28	-	40.07	(21.04)	-	(21.04)	-	100.00
							(2.36)	2.00	3.44	-	3.90	(2.05)	-	(2.05)	-	100.00
							(14,572.17)	94,608.72	7,529.76	67,708.18	11.77	(2,624.53)	-	(2,624.53)	-	100.00
							1,221.87	8,813.22	6,591.35	8,000.00	0.23	(0.02)	-	(0.02)	-	100.00
							(3.16)	1,386.99	1,380.15	1,350.00	0.23	(0.02)	-	(0.02)	-	100.00
							(77,518.09)	49,331.13	46,849.22	0.52	11,037.03	(9,127.83)	-	(9,127.83)	-	93.75
							(0.59)	0.52	0.61	-	0.95	0.01	-	0.01	-	93.75
							(4,288.00)	6,313.34	3,807.84	5,238.72	3,211.03	(1,654.72)	-	(1,654.72)	-	81.91

Note:- The reporting period of all the Subsidiaries is same as that of the Holding Company i.e., 31st December, 2015.

(B) ASSOCIATES AND JOINT VENTURES

Sr. No.	Name of Associates/ Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associate/ Joint Ventures held by the Company on the year end		Network attributable to Shareholding as per latest audited Balance Sheet	Profit/ Loss for the year		Description of how there is significant influence	Reasons why the Associate/ Joint Venture is not consolidated
			No.	Amount of Investment in Associates/ Joint Venture (In Million)		Extent of Holding %	Considered in Consolidation		
1	Videocon Infinity and Infrastructure Private Limited	31.12.2015	5,000	0.05	(0.04)	-	-	Note (a)	-
2	IBV Brasil Petroleo Limitada	31.12.2015	88,353,773	1,609.30	2,050.12	-	-	Note (a)	-
3	Unity Power Private Limited	31.12.2015	2,600	0.03	26.34	20.29	-	Note (b)	-
4	Radium Appliances Private Limited	31.12.2015	2,600	0.03	(0.02)	-	-	Note (b)	-

Note-

- (a) There is a significant influence by virtue of joint control.
 (b) There is a significant influence due to percentage of share capital.
Names of the subsidiaries which are yet to commence operations

- (a) Videocon International Cooperative U.A
 (b) Videocon Hydrocarbon Ventures B.V.
 (c) Videocon Brasil Ventures B.V.
 (d) Videocon Brasil Petroleo Ltda
 (e) Indigo Energy Private Limited
 (f) Percept Energy Private Limited

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

BHUPENDRA Y. KARKHANIS
 Partner
 Membership No. 108336

Place: Mumbai
 Date : 14th May, 2016

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

U. S. KADAM
 Partner
 Membership No. 31055

A. A. GUNE
 Chief Financial Officer

VINOD KUMAR BOHRA
 Company Secretary
 Membership No. ACS15255

V. N. DHOOT
 Chairman & Managing Director
 DIN : 00092450

R. S. AGARWAL
 Director
 DIN : 00012594

ANNEXURE-2

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Name of Employee	Designation	Remuneration (in Rs.)	Qualification	Age (Years)	Experience (Years)	Date of Joining	Name of the last Employer	Position (Designation) in last organisation
A.K.Modani	President	9,626,000	B.Com., C.A., C.S.	52	32	16.11.1989	Shree Digvijay Cement Co.Limited	Finance Executive
Abhijit Korns	Vice President	11,922,967	B.E.(Electronics)	47	25	01.04.2009	VDC, Technologies, Spa., Anagni., Italy	Factory Operational Head
Arun Pal *	Vice President	2,499,243	M.B.A.	43	20	04.06.2010	Samsung India Electronics Private Limited	Deputy General Manager
Chandramani Singh	Vice President	14,997,998	M.A., PGDBM	47	19	05.12.2008	Arcon Engineering	Chief Executive Officer
Deepak Tehtan	Senior General Manager	6,377,618	F.C.A.	45	19	01.04.2006	Indu Wadhwa & Associates, Charred Accountants	Partner
Dr. G. C. Naik	Vice President-Technical	8,534,670	Ph.D, M.Tech(Petroleum Exploration), M.Sc. Tech (Applied Geology) Senior Management Program(SMP) from IIM	57	32	19.04.2007	Oil & Natural Gas Corporation Limited	Chief Geologist
Girish Shah	Associate Vice President	8,288,695	B.E.(Electronics), M.B.A.	52	28	29.12.2008	Samsung India Electronics Private Limited	General Manager - Manufacturing
Jerold Chagas Pereira	Vice President	10,701,686	B.Com, M.B.A.	45	18	19.08.2009	DLF Retail Developers Limited	Senior Vice President
Milan Wahi *	Vice President	2,988,353	PGDBM, M.sc. B.sc	52	26	10.08.2015	J. K. DAIRY	Chief Executive Officer
N.Krishnaiah	Vice President-Geosciences	8,478,339	Msc (Physics)	63	36	02.02.2009	Cairn India Limited	DGM (Geoscience)
Nitin Shewale	Associate Vice President	7,348,462	B. E. (Electronics & Tele Communication)	51	26	14.01.1989	-	-
Pankaj Kothari	Deputy General Manager	6,757,017	C.A.	41	18	01.02.2011	Trend Middle East	Deputy General Manager
Rahul Sethi	Vice President	9,852,933	B.Com.	64	41	01.02.1987	Gedor Limited	Commercial Manager
Rajender Purohit	Associate Vice President	6,328,531	B.com., C.A., C.S.	46	18	01.04.2004	Integrated Technology Solutions Pvt. Ltd.	Company Secretary & Compliance Officer
Rajesh Vohra	General Manager	6,364,705	C.A.	46	22	22.09.1993	A. F Ferguson Co.	Articleship
Rash Behari Gangjeya	Senior Vice President	6,852,436	B.E., M.B.A.	63	37	13.02.2012	Symphony Limited	President
Sanjeev Bakshi	Vice President	7,856,692	B.E., M.B.A.	45	18	14.01.2014	Voltaas Limited	Senior General Manager
Shekhar Jyoti *	Vice President	12,973,412	B.Com, M.B.A.	53	31	22.01.1986	Macotax Consultant Private Limited	Vice President
Sudarshan Shelgoonkar	General Manager	6,335,679	M.E.	44	23	01.07.2008	Techno Electronics Ltd.	Deputy General Manager
Sunil Kumar Jain	Senior Vice President	15,612,512	M.com, ICWAI, C.S.	48	23	01.04.2010	Bharat Business Channel Limited	Senior Vice President
Sunil Tandon	Senior Vice President	9,912,827	PGDBM	54	27	01.07.2012	Videcon Telecommunications Limited	Senior Vice President
T. Shankar	Vice President Geophysics-IIMS	7,530,646	M.sc (Tech) Geophysics	54	30	06.06.2007	Oil & Natural Gas Corporation Limited	Chief Geophysicist
V G Shilvant	Senior General Manager	8,491,806	B.Com., C.A.	54	30	01.06.2005	Kirchen Appliances India Limited	General Manager

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

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

(c) None of the Employees listed above is a relative of any director or manager of the Company.

(d) Except Mr. Abhijit Korns, Mr. Sudarshan Shelgoonkar, Mr. V G Shikant and Mr. Pankaj Kothari who hold 0.00% (47 shares), 0.00% (75 shares), 0.00% (163 shares) and 0.00% (1 share) respectively, in the Company, none of the other Employee holds any shares.

* Part of the year

ANNEXURE-3

INFORMATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(1) Ratio of the remuneration of each Director/KMP (as defined in Section 203 of the Companies Act, 2013) to the median remuneration of all the employees of the Company for the financial year:

(a) The Promoter Directors, Executive Directors and Promoter- Non-Executive Director are not paid any sitting fees or any other remuneration.

Mr. Venugopal N. Dhoot, Chairman and Managing Director is not entitled for remuneration as per his terms of appointment.

(b) The Independent Directors are paid only sitting fees for attending Board/Committee Meetings.

Name of Director and KMP	Ratio of remuneration to median remuneration of all employees	Percentage (%) increase in remuneration in the Financial Year 2015
Executive Director		
Mr . Venugopal N. Dhoot	Nil	Nil
Non Executive Directors		
Mrs. Ramabai V Dhoot	Nil	Nil
Independent Directors		
Radheyshyam Agarwal	1.71	16.67
Maj. Gen. S C N Jatar	0.79	93.33
Mr. Anil Joshi (upto 16.11.2015)	0.87	3.23
Nominee Director		
Mr. Subroto Gupta (Paid to IDBI Bank Limited)	0.16	200.00
Other Key Managerial Personnel		
Chief Financial Officer	5.86	6.79
Company Secretary	14.30	6.77

Notes:

- (a) The ratio of remuneration to the median remuneration is based on the remuneration paid during the year 1st January, 2015 to 31st December, 2015. Though the previous accounting period was for a period of 18 months, in order to make the remuneration comparable, the remuneration paid for the period 1st January, 2014 to 31st December, 2014 has been considered.
- (b) **Except for sitting fees, Directors are not paid any remuneration.**
- (c) As regards, Mr. Subroto Gupta, the remuneration paid in 2015 is not comparable to the remuneration paid in 2014, since he was appointed w.e.f 14th November, 2014. Further, it is clarified that the sitting fees are paid in favour of the IDBI Bank Limited.
- (d) Median remuneration of other employees excluding Key Managerial Personnel has increased by 7.76%.
- (e) Increase in average remuneration of employees excluding Key Managerial Personnel is 8.37%.
- (f) Remuneration of Key Managerial Personnel has increased by 6.78%.

Median remuneration of all the employees of the Company for the Financial Year 2015 (Amount in ₹)	369,121
Percentage increase in the median remuneration of employees in the Financial Year 2015	7.21%
Number of permanent employees on the rolls of the Company as on 31st December, 2015	3,862

(2) Relationship between average increase in remuneration and performance of the Company:

	Percentage % increase
Percentage increase in the average remuneration of all employees in the Financial Year 2015	8.36

Net Revenue of the Company during the Financial Year 2015 declined by 1.79% at ₹ 124,182.13 Million as compared to previous period of 18 months ₹ 189,676.03 Million. The total employee cost during the said period was ₹ 2,834.32 Million. The overall performance of the Company was affected due to economic slowdown, which resulted in lower business volumes. More details are explained in the Directors' Report and Management Discussion and Analysis Report. Average increase in remuneration is guided by various factors such as normal salary revision, inflation and other external factors.

(3) Comparison of the remuneration of the Key Managerial Performance against the performance of the Company:

Aggregate remuneration of KMP in Financial Year 2015 (₹ in Million)	7.44
Net Revenue (₹ in Million)	124,182.13
Remuneration of KMPs (as a % of Net Revenue)	0.01
Profit/ (Loss) Before Tax (₹ in Million)	(607.04)
Remuneration of KMPs (as a % of Profit/ (Loss) Before Tax)	N.A.

(4) Variation in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

Sr. No.	Description	Amount
1.	Market Cap at 31st December, 2015 (₹ in Million)	40,569.90
	Market Cap at 31st December, 2014 (₹ in Million)	53,630.50
	Market capitalisation variation (₹ in Million)	(13,060.60)
	Variation in Market Cap in Financial Year 2015 (%)	(32.19)
2.	Price-to-Earnings Ratio	
	PE as at 31st December, 2015 (Market Price / EPS)	-
	PE as at 31st December, 2014 (Market Price / EPS)	1,972.50
	Variation in PE in Financial Year 2015 (%)	-
3.	% Increase / Decrease from last public offer	
	OFS price per share (September, 2013)	177.00
	Market price as at 31st December, 2015	121.30
	% increase from last Public Offer	(31.47)

(5) Average percentile increase made in the salaries of employees other than the Managerial personnel and its comparison with the percentile increase in the Managerial Remuneration and justification thereof:

Average percentile increase in the salaries of employees other than Managerial Personnel is 8.37% while percentile increase in the Managerial Remuneration is 6.78%.

(6) Comparison of remuneration of KMP against the performance of the Company:

Sr. No.	Particulars of Remuneration	KMP		
		Mr. Venugopal N. Dhoot Managing Director	Mr. Vinod Kumar Bohra Company Secretary	Mr. Ashutosh Gune Chief Financial Officer
1.	Remuneration in Financial Year 2015 (₹ in Million)	Nil	5.28	2.16
2.	Net Revenue (₹ in Million)	124,182.13		
3.	Remuneration (as % of net revenue)	Nil	0.00	0.00
4.	Profit/ (Loss) Before Tax (₹ in Million)	(607.04)		
5.	Remuneration (as % of profit/ (loss) before tax)	Nil	N.A.	N.A.

(7) Key parameters for variable component of remuneration paid to Directors:

(a) The Promoter Directors, Executive Directors and Promoter- Non-Executive Director are not paid any sitting fees or any other remuneration.

Mr. Venugopal N. Dhoot, Chairman and Managing Director is not entitled for remuneration as per his terms of appointment.

(b) The Independent Directors are paid only sitting fees for attending Board/Committee Meetings.

(8) The ratio of remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:

The highest paid Director of the Company is Mr. Radheyshyam Agarwal. He was paid ₹ 630,000/-. There are huge number of employees drawing remuneration in excess of him.

(9) The remuneration is as per the Nomination and Remuneration policy of the Company.

ANNEXURE-4

SECRETARIAL AUDIT REPORT

To
The Members,
Videocon Industries Limited
14 K.M. Stone, Aurangabad Paithan Road,
Village Chittegaon, Taluka Paithan,
Aurangabad - 431105
Maharashtra

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year from 1st January, 2015 to 31st December, 2015 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st December, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the "Act") and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 w.e.f. October 28, 2014 (Not applicable to the Company during the Audit Period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as and when notified in the Official Gazette during the Audit Period for the Company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India. *The compliance regarding maintenance of records under Secretarial Standards (specifically SS-1 and SS-2) was checked only for such meetings convened in the Audit Period which were held after 1st July, 2015.*
- ii. The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited.

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

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

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

- i. *The Company has delayed the filing of its Annual Return (e-Form MGT-7) for the period 1st July, 2013 to 31st December, 2014 beyond the stipulated time of sixty days from the date of the last convened Annual General Meeting held on 27th June, 2015 as set out in Section 92(4) of the Act.*

Apart from the above mentioned observation, I would like to highlight the following matters:

- i. The Company is required to comply with the provisions of Section 138 of the Act read with Rule 13 of Companies (Accounts) Rules, 2014 regarding appointment of Internal Auditor within six months of the commencement of the Act. *The Company has in place an in-house internal audit team led by in house internal auditor to carry out the audit of internal records maintained by the Company and the said constitution/appointment was prior to commencement of the Act. Hence, the Company was not required to file e-Form MGT-14 for appointment of Internal Auditor.*
- ii. The Company has already appointed Chief Financial Officer (CFO) prior to the commencement of the Act. *Hence, the Company has clarified that it was not required to file e-form MR-1 and e-Form DIR-12 for appointment of CFO. However, in my opinion, an e-form DIR-12 should have been filed ratifying the appointment of the CFO under the provisions of Section 203 of the Act.*

I further report that:

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors

and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- ii. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit Period, the following major events took place:

- i. The Company had passed a special resolution in its Annual General Meeting held on 27th June, 2015 to issue, offer and allot equity shares and/or other equity linked or convertible financial instruments ("OFIs") in one or more tranches, whether denominated in Indian Rupee or foreign currency(ies), in the course of international and/or domestic offering(s) in one or more foreign market(s), for an amount not exceeding Rs. 5,000 Crores (Rupees Five Thousand Crores Only), or its equivalent in foreign currency, inclusive of premium, through a Follow-on Public Offering ("FPO") to eligible investors, or through Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs"), any other Depository Receipt Mechanism convertible into Equity Shares (either at the option of the Company or the holders thereof).
- ii. During the year under review, the Foreign Currency Convertible Bonds (Bonds) amounting to US\$ 194.40 Million due in December, 2015 were fully redeemed by issue of new Bonds of US\$ 97.20 Million due on 31st December, 2020 (pursuant to the aforesaid special resolution) and balance US\$ 97.20 Million payment in cash.

Sd/-
CS Soumitra Mujumdar
ACS 30938
CP 12363

Date: 14th May, 2016
Place: Mumbai

This report to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To
The Members,
Videocon Industries Limited
14 K.M. Stone, Aurangabad Paithan Road,
Village Chittegaon, Taluka Paithan,
Aurangabad - 431105
Maharashtra
My secretarial audit report of even date is to be read along with this letter.

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

Sd/-
CS Soumitra Mujumdar
ACS 30938
CP 12363
Date: 14th May, 2016
Place: Mumbai

Annexure B

- i. Factories Act, 1948
- ii. Industrial Disputes Act, 1947
- iii. The Payment of Wages Act, 1936
- iv. The Minimum Wages Act, 1948
- v. Employees State Insurance Act, 1948
- vi. The Employees Provident Funds and Miscellaneous Provisions Act, 1952
- vii. The Payment of Bonus Act, 1965
- viii. The Payment of Gratuity Act, 1972
- ix. The Contract Labour (Regulation & Abolition) Act, 1970
- x. The Maternity Benefit Act, 1961
- xi. The Child Labour (Prohibition & Regulation) Act, 1986
- xii. The Industrial Employment (Standing Orders) Act, 1946
- xiii. The Employees Compensation Act, 1923
- xiv. The Apprentices Act, 1961
- xv. Equal Remuneration Act, 1976
- xvi. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- xvii. Water (Prevention and Control of Pollution) Act, 1974
- xviii. Air (Prevention and Control of Pollution) Act, 1981
- xix. Environment Protection Act, 1986
- xx. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- xxi. E-Waste Management & Handling Rules, 2016

ANNEXURE-5
FORM NO. MGT - 9

As on the financial year ended on 31st December, 2015

EXTRACT OF ANNUAL RETURN

[Pursuant to Section 92(3) of Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i. CIN	:	L99999MH1986PLC103624
ii. Registration Date	:	4th September, 1986
iii. Name of the Company	:	VIDEOCON INDUSTRIES LIMITED
iv. Category/ Sub-Category of the Company	:	
Category	:	Company Limited by Shares
Sub-Category	:	Indian Non-Government Company
v. Address of the Registered office and contact details	:	14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Tal: Paithan, Dist.: Aurangabad 431 105, Maharashtra, India.
Tel No.	:	+91-2431-251501/02
E-mail Id	:	secretarial@videoconmail.com
vi. Whether listed company	:	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	:	
Name	:	MCS Share Transfer Agent Limited
Address	:	002, Ground Floor, Kashiram Jamnadas Bldg, 5 P. D' Mello Road, Masjid (E), Mumbai, 400 009
Tel No.	:	+91 -22 -40206020/21/22/23/24
E-mail Id	:	mcssta.mumbai@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Manufacture and whole-sale and retail trade of Consumer Electronics and Home Appliances items	264, 465 and 478	93.88%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

As on financial year ended on 31st December, 2015

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Applied Energy Private Limited Address: 171-C, 17th Floor, Mittal Court C Wing, Nariman Point, Mumbai - 400 021	U40104MH2009PTC191519	Subsidiary	100	2(87)(ii)
2	Chhattisgarh Power Ventures Private Limited Address: 171-C, Floor-17, Plot-224, C Wing, Mittal Court, Jamnalal Bajaj Marg, Nariman Point, Mumbai City 400 021	U40300MH2010PTC201493	Subsidiary	100	2(87)(ii)
3	Comet Power Private Limited Address: 171-C, 17th Floor, Mittal Court C Wing, Nariman Point, Mumbai - 400 021	U40103MH2008PTC185771	Subsidiary	51	2(87)(ii)
4	Indigo Energy Private Limited Address: 171-C, 17th Floor, Mittal Court C Wing, Nariman Point, Mumbai - 400 021	U40300MH2010PTC207663	Subsidiary	51	2(87)(ii)

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
5	Jumbo Techno Services Private Limited Address: 12th Floor, Videocon Tower, Block E-1, Jhandewalan Extension, New Delhi - 110 055	U93000DL2007PTC166247	Subsidiary	100	2(87)(ii)
6	Liberty Videocon General Insurance Company Limited Address: 10th Floor, Tower A, Peninsula Business Park Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013	U66000MH2010PLC209656	Subsidiary	81.91	2(87)(ii)
7	Middle East Appliances LLC Address: P.O. Box 196, Postal Code 124, Rusayl, Sultanate of Oman	BYWAZ20030235	Subsidiary	100	2(87)(ii)
8	Percept Energy Private Limited Address: 171-C, 17th Floor, Mittal Court C Wing, Nariman Point, Mumbai - 400 021	U40102MH2009PTC195772	Subsidiary	51	2(87)(ii)
9	Pipavav Energy Private Limited Address: 171-C, Floor-17, Plot-224, C Wing, Mittal Court, Jamnalal Bajaj Marg, Nariman Point, Mumbai City 400 021	U40102MH2007PTC171813	Subsidiary	100	2(87)(ii)
10	Proficient Energy Private Limited Address: 171-C, 17th Floor, Mittal Court C Wing, Nariman Point, Mumbai - 400 021	U40105MH2010PTC200461	Subsidiary	100	2(87)(ii)
11	Prosperous Energy Private Limited Address: 171-C, 17th Floor, Mittal Court C Wing, Nariman Point, Mumbai - 400 021	U40109MH2010PTC207233	Subsidiary	100	2(87)(ii)
12	Senior Consulting Private Limited Address: 12th Floor, Videocon Tower, Block E-1, Jhandewalan Extension, New Delhi - 110 055	U74900DL2007PTC166266	Subsidiary	100	2(87)(ii)
13	Videocon Australia WA – 388-P Limited Address: P O Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	-	Subsidiary	100	2(87)(ii)
14	Videocon Brasil Ventures B.V. Address: Haaksbergweg 71, 1101BR Amsterdam	-	Subsidiary	100	2(87)(ii)
15	Videocon Brasil Petroleo Ltda Address: Avenida das Americas, 4200, rooms, 217B +0 220B- Part, Rio de Janeiro.	-	Subsidiary	100	2(87)(ii)
16	Videocon Easypay Private Limited (Formerly: Datacom Telecommunications Private Limited) Address: C 157, Industrial Area, Phase - VII, Mohali Rupnagar PB 160055	U67190PB2008PTC031630	Subsidiary	93.75	2(87)(ii)
17	Videocon Electronics (Shenzhen) Limited Address: 3G, Main Building, Ruode Financial Centre Fuzhong, 3rd Road, Futian District, Shenzhen City, Guangdong Province	BYWAZ20080715	Subsidiary	100	2(87)(ii)
18	Videocon Energy Limited Address: Auto Cars Compound, Adalat Road, Aurangabad 431 005	U40103MH2010PLC198876	Subsidiary	100	2(87)(ii)

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
19	Videocon Energy Brazil Limited Address: Kingstone Chambers, P.O. Box 173, Road Town, Tortola, British Virgin Islands	1460466	Subsidiary	100	2(87)(ii)
20	Videocon Global Limited Address: International Trust Building, P.O. Box 659, Road Town, Tortola, British Virgin Islands	BYWAZ20040231	Subsidiary	100	2(87)(ii)
21	Videocon Hydrocarbon Holdings Limited Address: P O Box 309, Uglad House, Grand Cayman, KY1-1104, Cayman Islands	BYWAZ20100309	Subsidiary	100	2(87)(ii)
22	Videocon Hydrocarbon Ventures B.V. Address: Haaksbergweg 71, 1101BR Amsterdam	-	Subsidiary	100	2(87)(ii)
23	Videocon Indonesia Nunukan Inc. Address: P O Box 309, Uglad House, Grand Cayman, KY1-1104, Cayman Islands	-	Subsidiary	100	2(87)(ii)
24	Videocon International Cooperatie U.A. Address: Haaksbergweg 71, 1101BR, Amsterdam	-	Subsidiary	100	2(87)(ii)
25	Videocon International Electronics Limited Address: 171-C, 17th Floor, Mittal Court C Wing, Nariman Point, Mumbai - 400 021	U32100MH2003PLC142232	Subsidiary	100	2(87)(ii)
26	Videocon JPDA 06-103 Limited Address: P O Box 309 GT, Uglad House, South Church Street, George Town, Grand Cayman	-	Subsidiary	100	2(87)(ii)
27	Videocon Mauritius Energy Limited Address: 4th Floor, Ebene Skies, Rue de L'institut, Ebene, Republic of Mauritius	-	Subsidiary	100	2(87)(ii)
28	Videocon Oil Ventures Limited Address: Auto Cars Compound, Adalat Road, Aurangabad 431 005	U11102MH2010PLC199078	Subsidiary	100	2(87)(ii)
29	Videocon Telecommunications Limited Address: R H No. 2, Pratapnagar Shahnoorwadi Road Aurangabad Aurangabad - 431 001	U72900MH2007PLC204763	Subsidiary	93.75	2(87)(ii)
30	Videocon Infinity Infrastructure Private Limited Address: Sector-V, Block BP Salt Lake City, Kolkata WB - 700 091	U45400WB2008PTC126333	Joint Venture	50	2(6)
31	IBV Brasil Petroleo Limitada Address: Av. das Américas, No. 4200, building 9, rooms 217B to 220B (part), Ed. Paris, Centro Empresarial Barra Shopping, , State of Rio de Janeiro, Zip Code 22640-102	-	Joint Venture	50	2(6)
32	Radium Appliances Private Limited Address: 171-C, 17th Floor, Mittal Court C Wing, Nariman Point, Mumbai - 400 021	U74999MH2010PTC207329	Associate	26	2(6)
33	Unity Power Private Limited Address: E-1, 37-A10, Panchavati Apartment, Sector-8, Nerul (W) Navi Mumbai - 400 706	U40104MH2008PTC184134	Associate	26	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i. Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/HUF	564,233	-	564,233	0.17	564,233	-	564,233	0.17	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	218,824,181	-	218,824,181	65.43	219,414,681	-	219,414,681	65.60	0.17
e) Banks/Fl	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):-	219,388,414	-	219,388,414	65.60	219,978,914	-	219,978,914	65.77	0.17
2. Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/Fl	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter(A)= (A)(1)+(A)(2)	219,388,414	-	219,388,414	65.60	219,978,914	-	219,978,914	65.77	0.17
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	61,361	1,323	62,684	0.02	52,879	1,323	54,202	0.02	-
b) Banks/Fl	8,806,483	13,016	8,819,499	2.64	8,410,882	13,016	8,423,898	2.52	-0.12
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s).	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	18,176,140	-	18,176,140	5.43	18,176,140	-	18,176,140	5.43	-
g) FIs	9,893,694	11,371	9,905,065	2.96	10,952,112	11,371	10,963,483	3.28	0.32
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-Total(B)(1):-	36,937,678	25,710	36,963,388	11.05	37,592,013	25,710	37,617,723	11.25	0.20
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	24,165,535	616,524	24,782,059	7.41	24,403,297	400,812	24,804,109	7.42	0.01
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	7,762,824	1,306,202	9,069,026	2.71	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	2,806,140	-	2,806,140	0.84	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto ₹2 lakh	-	-	-	-	9,213,719	1,281,648	10,495,367	3.14	-
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	-	-	-	-	1,705,003	-	1,705,003	0.51	-
c) Others - Overseas Depository - Shares held by Custodian for GDRs*	25,501,226	15,700,000	41,201,226	12.32	39,705,381	-	39,705,381	11.87	-0.45
i) NRI	242,258	3,775	246,033	0.07	146,520	3,769	150,289	0.04	-0.03
ii) Trust/Co-operative Society/Foundation	2,499	90	2,589	0.00	1,999	90	2,089	0.00	-
Sub-Total (B)(2):-	60,480,482	17,626,591	78,107,073	23.35	75,175,919	1,686,319	76,862,238	22.98	-0.37
Total Public Shareholding (B)=(B)(1)+(B)(2)	97,418,160	17,652,301	115,070,461	34.40	112,767,932	1,712,029	114,479,961	34.23	-0.17
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	316,806,574	17,652,301	334,458,875	100.00	332,746,846	1,712,029	334,458,875	100.00	0.00

*The Company has extended voting right in favour of GDR holders. Accordingly, the same forms part of public holding.

ii. Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	R. N. Dhoot	134,592	0.04	-	134,592	0.04	-	-
2	P. N. Dhoot	156,808	0.05	-	156,808	0.05	-	-
3	V. N. Dhoot	89,575	0.03	-	89,575	0.03	-	-
4	Kesharbai Dhoot	8,210	0.00	-	8,210	0.00	-	-
5	Sushma Dhoot	14,942	0.00	-	14,942	0.00	-	-
6	N. P Dhoot	14,934	0.00	-	14,934	0.00	-	-
7	R. V. Dhoot	14,097	0.00	-	14,097	0.00	-	-
8	Anirudha Dhoot	8,098	0.00	-	8,098	0.00	-	-
9	Saurabh Dhoot	18,088	0.01	-	18,088	0.01	-	-
10	Sushmabai R Dhoot	50,624	0.02	-	50,624	0.02	-	-
11	Akshay R Dhoot	54,265	0.02	-	54,265	0.02	-	-
12	Dome-Bell Electronics India Pvt. Ltd.	19,741,704	5.90	3.27	19,741,704	5.90	5.90	-
13	Waluj Components Pvt. Ltd.	234,857	0.07	-	34,857	0.01	-	-0.06
14	Century Appliances Ltd.	1,093,110	0.33	-	1,093,110	0.33	0.33	-
15	Shree Dhoot Trading And Agencies Ltd.	26,604,836	7.95	7.39	26,604,836	7.95	7.85	-
16	Electroparts (India) Pvt. Ltd.	611,110	0.18	0.03	111,110	0.03	0.03	-0.15
17	Force Appliances Pvt. Ltd.	1,222,222	0.37	0.07	1,222,222	0.37	0.37	-
18	Elegance Appliances Pvt. Ltd. (Formerly: Equity Investments Pvt. Ltd.)	59,644	0.02	-	59,644	0.02	-	-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
19	Yakme Electronics Pvt. Ltd. (Formerly: Yakme Finance & Investment Pvt. Ltd.)	53,654	0.02	-	53,654	0.02	-	-
20	KAIL Ltd.	4,836,110	1.45	1.44	4,836,110	1.45	1.45	-
21	Cluster Trade & Investments Pvt. Ltd.	45,100	0.01	-	45,100	0.01	-	-
22	Koala Holdings Pvt. Ltd.	39,966	0.01	-	39,966	0.01	-	-
23	Tapti Appliances Pvt. Ltd. (Formerly: Tapti Holdings Pvt. Ltd.)	35,566	0.01	-	35,566	0.01	-	-
24	Value Industries Limited	435,411	0.13	-	35,411	0.01	-	-0.12
25	Southwest Electronics Pvt. Ltd. (Formerly: Southwest Investments Pvt. Ltd.)	11,122	0.00	-	11,122	0.00	-	-
26	The Invex Pvt. Ltd.	1,832	0.00	-	1,832	0.00	-	-
27	Greenfield Appliances Private Limited	14,462,140	4.32	4.12	14,462,140	4.32	4.32	-
28	TekCare India Pvt. Ltd.	9,270,877	2.77	0.58	9,270,877	2.77	2.69	-
29	Synergy Appliances Private Limited	15,410,575	4.61	3.08	15,410,575	4.61	4.60	-
30	Platinum Appliances Private Limited	15,604,666	4.67	1.30	15,604,666	4.67	4.66	-
31	Solitaire Appliances Private Limited	11,458,330	3.43	1.32	11,458,330	3.43	3.42	-
32	Synlene Fabrics Ltd.	28,942	0.01	-	28,942	0.01	-	-
33	Ausherra Properties & Investments Pvt. Ltd.	6,250,000	1.87	1.87	-	-	-	-1.87
34	Julietta Properties & Finvest Pvt. Ltd.	6,250,000	1.87	1.87	-	-	-	-1.87
35	Armacoat Properties & Investment Pvt. Ltd.	6,250,000	1.87	1.87	-	-	-	-1.87
36	Acacia Properties & Investments Pvt. Ltd.	6,250,000	1.87	1.87	-	-	-	-1.87
37	Tangent Electronics Pvt. Ltd.	12,222,220	3.65	2.16	12,222,220	3.65	3.65	-
38	Trend Electronics Limited	2,906,478	0.87	0.85	2,906,478	0.87	0.86	-
39	Neetu Appliances Pvt. Ltd. (Formerly: Neetu Financial Services Pvt. Ltd.)	211,739	0.06	0.06	211,739	0.06	0.06	-
40	Holly- Hock Investments Pvt. Ltd.	77,830	0.02	-	77,830	0.02	0.02	-
41	Videocon Realty and Infrastructures Ltd.	38,570,518	11.53	7.37	64,670,518	19.34	19.32	7.81
42	Evans Fraser and Co. (India) Limited	4,608,911	1.38	1.38	4,608,911	1.38	1.38	-
43	Nippon Investment & Finance Co. Pvt. Ltd.	13,258,085	3.96	3.90	13,848,585	4.14	4.11	0.18
44	CE India Limited	705,640	0.21	0.21	705,640	0.21	0.21	-
45	Leo Communications Pvt. Ltd.	986	0.00	-	986	0.00	-	-
	Total	219,388,414	65.60	46.00	219,978,914	65.77	65.23	0.17

iii. Change in Promoter's Shareholding:

Sr. No	Name of the Shareholder	Shareholding at the beginning and at the end of the year		Date-wise Increase/ Decrease in Promoters Shareholding during the year		Reason	Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	Date	Increase/ Decrease		No. of shares	% of total Shares of the Company
1	Waluj Components Private Limited	234,857	0.07	21.09.2015	-200,000	Market Sale	34,857	0.01
		34,857	0.01					
2	Electroparts (India) Private Limited	611,110	0.18	21.09.2015	-500,000	Market Sale	111,110	0.03
		111,110	0.03					
3	Value Industries Limited	435,411	0.13	21.09.2015	-400,000	Market Sale	35,411	0.01
		35,411	0.01					
4	Ausherra Properties & Investments Pvt. Ltd.#	6,250,000	1.87		-6,250,000	Amalgamation	-	-
		-	-					
5	Julietta Properties & Finvest Pvt. Ltd.#	6,250,000	1.87		-6,250,000	Amalgamation	-	-
		-	-					
6	Armacoat Properties & Investment Pvt. Ltd.#	6,250,000	1.87		-6,250,000	Amalgamation	-	-
		-	-					
7	Acacia Properties & Investments Pvt. Ltd.#	6,250,000	1.87		-6,250,000	Amalgamation	-	-
		-	-					
8	Videocon Realty and Infrastructures Limited#	38,570,518	11.53	22.07.2015	+25,000,000	Amalgamation	63,570,518	19.01
		63,570,518	19.01	21.09.2015	+1,100,000	Market Purchase	64,670,518	19.34
		64,670,518	19.34					
9	Nippon Investments and Finance Co. Pvt. Ltd.	13,258,085	3.96	11.12.2015	+200,000	Market Purchase	13,458,085	4.02
		13,458,085	4.02	16.12.2015	+330,000	Market Purchase	13,788,085	4.12
		13,788,085	4.12	29.12.2015	+60,500	Market Purchase	13,848,585	4.14
		13,848,585	4.14					

#The shares held by certain promoter group entities viz. Ausherra Properties & Investments Pvt. Ltd., Julietta Properties & Finvest Pvt. Ltd., Armacoat Properties & Investment Pvt. Ltd. and Acacia Properties & Investments Pvt. Ltd. (Total 25,000,000 equity shares, holding 6,250,000 equity shares each) which were amalgamated earlier with Videocon Realty and Infrastructures Limited (the transferee company under the scheme of amalgamation) were released from pledge by State Bank of India on 14.07.2015 and were transferred to the Account of Videocon Realty & Infrastructures Limited, the another promoter group entity.

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	Name of the Shareholder	Shareholding at the beginning and at the end of the year		Date-wise Increase/ Decrease in Promoters Shareholding during the year (determined from the benpos information)		Reason	Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	Date	Increase/ Decrease		No. of shares	% of total Shares of the Company
1	Life Insurance corporation of India	15,256,515	4.56		-		15,256,515	4.56
		15,256,515	4.56		-			
2	Bennett Coleman and Company Limited	14,034,035	4.20	30.01.2015	-500,000	Market Sale	13,534,035	4.05
		13,534,035	4.05	27.11.2015	-900,000	Market Sale	12,634,035	3.78
		12,634,035	3.78					
3	IDBI Bank Limited	4,735,770	1.46		-		4,735,770	1.46
		4,735,770	1.46		-			
4	IFCI Limited	3,186,068	0.96		-		3,186,068	0.96
		3,186,068	0.96		-			
5	India Max Investment Fund Limited	2,603,772	0.78		-		2,603,772	0.78
		2,603,772	0.78		-			

Sr. No	Name of the Shareholder	Shareholding at the beginning and at the end of the year		Date-wise Increase/ Decrease in Promoters Shareholding during the year (determined from the benpos information)		Reason	Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	Date	Increase/ Decrease		No. of shares	% of total Shares of the Company
6	General Insurance Corporation of India	2,261,559	0.68	-	-	-	2,261,559	0.68
		2,261,559	0.68					
7	Infotel Telecom Infrastructure Pvt. Ltd.	1,858,275	0.56	-	-	-	1,858,275	0.56
		1,858,275	0.56					
8	Aktiebolaget Electrolux (PUBL)	1,500,000	0.45	-	-	-	1,500,000	0.45
		1,500,000	0.45					
9	Prabhudas Lilladher Pvt. Ltd.	-	-	30.01.2015	1,210	Market Purchase	1,210	0.00
		1,210	0.00	27.02.2015	-10	Market Sale	1,200	0.00
		1,200	0.01	31.03.2015	+44,599	Market Purchase	45,799	0.01
		45,799	0.01	01.05.2015	-1,252	Market Sale	44,274	0.01
		44,274	0.01	29.05.2015	-533	Market Sale	43,741	0.01
		43,741	0.01	05.06.2015	-100	Market Sale	43,641	0.01
		43,641	0.03	30.06.2015	+65,770	Market Purchase	109,411	0.03
		109,411	0.01	31.07.2015	-75,578	Market Sale	33,833	0.01
		33,833	0.05	28.08.2015	+119,249	Market Purchase	153,082	0.05
		153,082	0.06	30.09.2015	+47,512	Market Purchase	200,594	0.06
		200,594	0.22	30.10.2015	+523,323	Market Purchase	723,917	0.22
		723,917	0.16	27.11.2015	-175,934	Market Sale	547,983	0.16
		547,983	0.16	04.12.2015	-11,388	Market Sale	536,595	0.16
		536,595	0.29	11.12.2015	+425,316	Market Purchase	961,911	0.29
		961,911	0.31	18.12.2015	+86,994	Market Purchase	1,048,905	0.31
		1,048,905	0.32	25.12.2015	+26,000	Market Purchase	1,074,905	0.32
1,074,905	0.33	31.12.2015	+21,163	Market Purchase	1,096,068	0.33		
1,096,068	0.33							
10	The Emerging Markets Small Cap Series of the DFA	577,596	0.17	30.01.2015	+71,352	Market Purchase	648,948	0.19
		648,948	0.19	27.02.2015	+84,516	Market Purchase	733,464	0.21
		733,464	0.21	31.03.2015	+65,911	Market Purchase	799,375	0.24
		799,375	0.24	01.05.2015	+70,651	Market Purchase	870,026	0.26
		870,026	0.26	29.05.2015	+29,669	Market Purchase	899,695	0.27
		899,695	0.27	30.10.2015	+13,390	Market Purchase	913,085	0.27
		913,085	0.27	27.11.2015	+56,779	Market Purchase	969,864	0.29
		969,864	0.29	04.12.2015	+23,986	Market Purchase	993,850	0.30
		993,850	0.30	11.12.2015	+21,801	Market Purchase	1,015,651	0.30
		1,015,651	0.30					

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name of the Shareholder	Shareholding at the beginning and at the end of the year		Date-wise Increase/ Decrease in Promoters Shareholding during the year		Reason	Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	Date	Increase/ Decrease		No. of shares	% of total Shares of the Company
	For Each of the Directors and KMP							
1	Venugopal N. Dhoot	89,575	0.03	-	-	-	89,575	0.03
		89,575	0.03					
2	Ramabai Dhoot	14,097	0.00	-	-	-	14,097	0.00
		14,097	0.00					

None of the KMPs hold any shares in the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	204,991.93	37,721.68	-	242,713.61
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	2,184.98	155.58	-	2,340.56
Total (i + ii + iii)	207,176.91	37,877.26	-	245,054.17
Change in indebtedness during the financial year				
• Addition	21,804.02	-	-	21,804.02
• Reduction	-	(26,509.70)	-	(26,509.70)
Net Change	21,804.02	(26,509.70)	-	(4,705.68)
Indebtedness at the end of the financial year				
i. Principal Amount	226,512.81	11,225.00	-	237,737.81
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	2,468.12	142.56	-	2,610.68
Total (i + ii + iii)	228,980.93	11,367.56	-	240,348.49

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and/or Manager :

Sl. No.	Particulars of Remuneration	Managing Director Mr. Venugopal N. Dhoot	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-

B. Remuneration to other directors:

(₹ in Million)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	Mr. Anil Joshi (upto 16.11.2015)	Maj. Gen. Sudhir Chintamani Nilkanth Jatar	Mr. Radheyshyam Agarwal	
	- Fee for attending board/committee meetings	0.32	0.29	0.63	1.24
	- Commission	-	-	-	-
	- Others, please specify	-	-	-	-
	Total(1)	0.32	0.29	0.63	1.24
2.	Other Non-Executive Directors	Mr. Subroto Gupta (Nominee Director – IDBI Bank Ltd.)	Mrs. Ramabai Dhoot		
	-Fee for attending board/committee meetings	0.06	-	-	0.06
	- Commission	-	-	-	-
	-Others, please specify	-	-	-	-
	Total(2)	0.06	-	-	0.06
	Total=(1+2)				1.30
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/ MANAGER/ WTD

(₹ in Million)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO Mr. Venugopal N. Dhoot	Company Secretary Mr. Vinod Kumar Bohra	CFO Mr. Ashutosh Gune	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	5.28	2.16	7.44
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	5.28	2.16	7.44

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended 31st December, 2015.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

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

1. Accountability
2. Transparency
3. Responsibility
4. Fairness
5. Compliance with the applicable laws

A Report as per Clause 49 of the Listing Agreement and on the compliance with the principles of Corporate Governance as prescribed under The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations") forms part of the Annual Report.

Your Company is in full compliance with the requirements and disclosures as stated therein. A certificate from the Statutory Auditors of the Company confirming compliance of the Corporate Governance is appended to the Report on Corporate Governance.

BOARD OF DIRECTORS

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

• Composition and Category of Board as on 31st December, 2015:

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

As on 31st December, 2015, the composition of the Board of Directors of the Company meets the stipulated requirements of SEBI Regulations and of the Companies Act, 2013, as well.

Promoter Executive	–	Mr. Venugopal N. Dhoot
Promoter Non-Executive	–	Mrs. Ramabai Dhoot
Non-Executive; Independent	–	Mr. Radheyshyam Agarwal
	–	Maj. Gen. S. C. N. Jatar
Non-Executive; Non-Independent	–	Mr. Subroto Gupta- Nominee Director, IDBI Bank Limited (Lender)

In all, there were 5 Directors, including 2 Independent Directors as on 31st December, 2015. None of the Directors hold chairmanship on the Board of any other Public Companies in which they are directors.

Further, none of the Non-Executive Independent and Nominee Director hold any shares or convertible instruments in the Company. The Promoter Non-Executive Director viz Mrs. Ramabai Dhoot holds 14,097 shares representing 0.00% of the shareholding of the Company.

During the year under review, due to sad demise, Mr. Anil Joshi ceases to be the Director of the Company. The Board places on record its sincere gratitude towards the contribution made by Mr. Anil Joshi.

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

Name of the Director	Directorships	Committee Positions	
		Chairman	Member
Mr. Venugopal N. Dhoot	4	-	2
Mrs. Ramabai Dhoot	-	-	-
Mr. Radheyshyam Agarwal	7	2	3
Maj. Gen. S. C. N. Jatar	2	-	2
Mr. Anil Joshi (upto 16.11.2015)	4	2	2
Mr. Subroto Gupta	1	-	1

Except for Mr. Venugopal N. Dhoot and Mrs. Ramabai Dhoot, who are married to each other, none of the other directors have any inter-se relations among themselves and with any employee of the Company.

- Directorship held by Directors does not include any alternate directorships, directorships in Foreign Companies, directorships in Companies incorporated under Section 8 of the Companies Act, 2013 and Private Limited Companies.
- Committee chairmanship and membership is taken into account of only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies, as per SEBI Regulations.
- Other Directorship(s), Company Chairmanship(s), Company Membership(s) of Mr. Anil Joshi is based on the disclosure submitted at the beginning of the year under review. As regards, other directors, it is as on 31st December, 2015.
- **Number of Board Meetings held, dates and attendance; including attendance at the last Annual General Meeting:**

During the year under review, the Board met 4 times on 28.02.2015, 15.05.2015, 14.08.2015 and 14.11.2015.

Attendance

Name of the Director	No. of Board Meetings attended	Attendance at the last Annual General Meeting held on 27th June, 2015
Mr. Venugopal N. Dhoot	4	No
Mrs. Ramabai Dhoot	0	No
Mr. Radheyshyam Agarwal	4	Yes
Maj. Gen. S. C. N. Jatar	4	No
Mr. Anil Joshi (upto 16.11.2015)	4	Yes
Mr. Subroto Gupta	3	No

Independent Directors Meeting

One separate meeting of the Independent Directors was held on 15.05.2015, which was attended by all the Independent Directors.

• **Board Procedure:**

a) **Background**

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

b) **Scheduling and Selection of the Agenda items**

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

c) **Information placed before the Board Members**

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

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

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

d) **Recording Minutes of the Proceedings**

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

e) **Follow up Mechanism**

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

f) **Compliance**

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

g) **Code of Conduct**

The Board has laid down a Code of Conduct for all directors and senior management of the Company, which has been posted on the website of the Company i.e. www.videoconworld.com. All directors and senior management personnel have affirmed compliance with the code for the year ended 31st December, 2015. A declaration to this effect signed by the Chairman and Managing Director is annexed to this Report.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors of the Company have set up various Committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each of the Committee is guided by well-defined scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board either for information or approval. Following are the details of the Committees as on 31st December, 2015:

1. AUDIT COMMITTEE:

The Board has constituted an Audit Committee with all the members being Non-Executive; having 2/3rd of Independent Directors including the Chairman. They possess sound knowledge and are financially literate persons having vast experience in the area of finance, accounts and industry.

Composition as on 31st December, 2015:

Name	Designation	Category
Mr. Radheyshyam Agarwal	Chairman	Independent
Maj. Gen. S.C.N. Jatar	Member	Independent
Mr. Anil Joshi (upto 16.11.2015)	Member	Independent
Mrs. Ramabai Dhoot (w.e.f. 17.11.2015)	Member	Promoter; Non-Executive

During the year under review, the Audit Committee was reconstituted due to sad demise of Mr. Anil G. Joshi on 16.11.2015. Mrs. Ramabai Dhoot was co-opted as the member of the Audit Committee in place of Mr. Anil Joshi.

Meetings and Attendance:

During the year under review, 4 meetings of the Committee were held on 28.02.2015, 15.05.2015, 14.08.2015 and 14.11.2015.

Attendance:

Name	Meetings Attended*
Mr. Radheyshyam Agarwal	4
Maj. Gen. S.C.N. Jatar	4
Mr. Anil Joshi (upto 16.11.2015)	4
Mrs. Ramabai Dhoot (w.e.f. 17.11.2015)	NA

*Including participation through Audio Conferencing

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

Terms of reference and Scope of the Committee:

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

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

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

The Committee also reviews:

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

The Audit Committee is also vested with the following powers:

- To investigate any activity within its terms of reference.
- To seek information from any employee.

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- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Whistle Blower Policy & Vigil Mechanism:

The Companies Act, 2013 and SEBI Regulations require all the listed companies to institutionalize the Vigil Mechanism and Whistle Blower Policy. Accordingly, the Board has adopted Whistle Blower Policy to promote reporting of any unethical or improper practice or violation of the Company's Code of Conduct or complaints regarding its accounting, auditing, internal controls or disclosure practices. It gives a platform to the whistle blower to report any unethical or improper practice (not necessarily violation of law) and to define processes for receiving and investigating complaints. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. More details are available on website www.videoconworld.com

2. NOMINATION AND REMUNERATION COMMITTEE (Formerly known as Remuneration Committee):

Composition of the Committee as on 31st December, 2015:

Name	Designation	Category
Maj. Gen. S.C.N. Jatar	Chairman	Independent
Mr. Anil Joshi (upto 16.11.2015)	Member	Independent
Mr. Radheyshyam Agarwal	Member	Independent
Mrs. Ramabai Dhoot (w.e.f. 17.11.2015)	Member	Promoter, Non-Executive

During the year under review, the Nomination and Remuneration Committee was reconstituted due to sad demise of Mr. Anil Joshi on 16.11.2015. Mrs. Ramabai Dhoot was co-opted as the member of the Nomination and Remuneration Committee in place of Mr. Anil Joshi.

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

Meetings and Attendance:

During the financial year under review, 2 meetings of the Committee were held on 28.02.2015 and 14.08.2015.

Name	Meetings Attended
Maj. Gen. S.C.N. Jatar	2
Mr. Anil Joshi (upto 16.11.2015)	1
Mr. Radheyshyam Agarwal	2
Mrs. Ramabai Dhoot (w.e.f. 17.11.2015)	NA

Terms of reference and Scope of the Committee:

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of the director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising the policy on diversity of the board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;
- Whether to extend or continue the term of appointment of independent director on the basis of the report of performance evaluation of independent directors;
- Fixing & Reviewing the remuneration of the Chief Executives and other senior officers of the Company;

- Recommending the remuneration including the perquisite package of key management personnel;
- Determining the remuneration policy of the Company;
- Recommending to the Board retirement benefits;
- Reviewing the performance of employees and their compensation; and
- Attending to any other responsibility as may be entrusted by the Board.

Remuneration Policy:

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

Performance Evaluation Criteria for Independent Directors:

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

Familiarisation Program for Independent Directors:

The details of the familiarization program are available on the Company's weblink viz. <http://www.videoconindustriesltd.com/Documents/Familiarisation%20Program%20for%20independent%20directors.pdf>

Director's Remuneration:

- (a) The Promoter Directors, Executive Directors and Promoter-Non-Executive Director are not paid any sitting fees. Mr. Venugopal N. Dhoot, Chairman and Managing Director is not entitled for remuneration as per his terms of appointment.
- (b) The Independent Directors are paid only sitting fees for attending Board/Committee Meetings. The details of payment of sitting fees during the year under review are as follows:

Sr. No.	Name of the Director	Sitting Fees (₹)
1.	Maj. Gen. S.C. N. Jatar	2,90,000
2.	Mr. Radheyshyam Agarwal	6,30,000
3.	Mr. Anil G. Joshi (upto 16.11.2015)	3,20,000
4.	Mr. Subroto Gupta (IDBI Bank Limited)	60,000

- Except Mrs. Ramabai Dhoot (Promoter - Non-Executive Director) holding 14,097 shares in the Company and who is married to Mr. Venugopal N. Dhoot, none of the Non-Executive Directors have any pecuniary relationship or transaction with the Company.

Stock Options:

The Company has not issued any Stock Options.

3. STAKEHOLDERS' RELATIONSHIP COMMITTEE (Formerly: Shareholders'/Investors' Grievance Committee):

Composition as on 31st December, 2015:

The composition of the Stakeholders' Relationship Committee of the Board of Directors as on 31st December, 2015, was as under:

Name	Designation	Category
Maj. Gen. S.C.N. Jatar	Chairman	Independent
Mr. Anil Joshi (upto 16.11.2015)	Member	Independent
Mr. Radheyshyam Agarwal	Member	Independent
Mrs. Ramabai Dhoot (w.e.f. 17.11.2015)	Member	Promoter, Non-Executive

During the year under review, Mrs. Ramabai Dhoot was co-opted as the Member of the Stakeholders' Relationship Committee in place of Mr. Anil Joshi who ceases to be the Member due to his sad demise.

Meetings and Attendance:

During the financial year under review, 6 meetings were held on 28.02.2015, 15.05.2015, 14.08.2015, 16.11.2015, 9.12.2015 and 30.12.2015.

Name	Meetings Attended
Maj. Gen. S. C. N. Jatar	6
Mr. Anil Joshi (upto 16.11.2015)	3
Mr. Radheyshyam Agarwal	6
Mrs. Ramabai Dhoot (w.e.f. 17.11.2015)	0

Compliance Officer:

Mr. Vinod Kumar Bohra, Company Secretary, is the Compliance Officer.

Terms of reference and Scope of the Committee:

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

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

Scope of the Committee:

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

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

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

Share Transfer Details:

The number of Shares transferred during the year under review:

Sr. No.	Particulars	Equity
a)	Number of Transfers	578
b)	Average No. of Transfers per Month	48.17
c)	Number of Shares Transferred	7,086

Demat/Remat of Shares:

Sr. No.	Particulars	Equity
a)	Number of Demat Requests approved	1,775
b)	Number of Sub-committee Meetings held	45
c)	Number of Shares Dematerialized	15,942,239
d)	Percentage of Shares Dematerialized	4.77
e)	Number of Rematerialization Requests approved	4
f)	Number of Shares Rematerialized	19

Details of complaints received and redressed during the year ended 31st December, 2015:

During the year under review, the pending complaints at the beginning of the year were 6. The Company received 966 complaints during the year under review. 968 were redressed to the satisfaction of the shareholders. However, there are 4 pending complaints in respect of which the Registrar has sent interim responses to the Investors.

4. RISK MANAGEMENT COMMITTEE:

The Company has constituted the Risk Management Committee to monitor and review the risk management plan. Framework of the Risk Management includes: Risk Identification, Risk Assessment, Risk Measurement, Risk Mitigation and Monitoring, Risk Treatment and Risk Reporting.

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

Composition of the Committee:

The composition of the Committee as on 31st December, 2015, was as under:

Name	Designation	Category
Mr. Radheyshyam Agarwal	Chairman	Independent
Maj. Gen. S. C. N. Jatar	Member	Independent
Mr. Anil Joshi (upto 16.11.2015)	Member	Independent
Mrs. Ramabai Dhoot (w.e.f. 17.11.2015)	Member	Promoter, Executive

Consequent to the sad demise of Mr. Anil Joshi, Mrs. Ramabai Dhoot was co-opted as the member of Risk Management Committee.

Meeting and Attendance:

1 meeting was held on 14.08.2015 which was attended by Mr. Radheyshyam Agarwal and Maj. Gen. S. C. N. Jatar.

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):

Composition of the Committee:

The Composition of the Committee as on 31st December, 2015 was as under:

Name	Designation	Category
Mr. Venugopal N. Dhoot	Chairman	Promoter, Executive
Mr. Radheyshyam Agarwal	Member	Independent
Mr. Anil Joshi (upto 16.11.2015)	Member	Independent
Mrs. Ramabai Dhoot (w.e.f. 17.11.2015)	Member	Promoter, Non-Executive

During the year under review, the Committee was reconstituted. Consequent upon the sad demise of Mr. Anil Joshi, Mrs. Ramabai Dhoot was co-opted as the member of Corporate Social Responsibility Committee in place of Mr. Anil Joshi.

Terms of Reference of the Committee:

The Terms of Reference of the Committee are to:-

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

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4. Ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

Meeting and Attendance:

1 Meeting was held during the year under review on 14.8.2015 which was attended by all the members of the Committee.

6. FINANCE AND GENERAL AFFAIRS COMMITTEE:

Composition as on 31st December, 2015:

Name	Designation	Category
Mr. Venugopal N. Dhoot	Chairman	Promoter-Executive
Mr. Radheyshyam Agarwal	Member	Independent
Mr. Anil Joshi (upto 16.11.2015)	Member	Independent
Mrs. Ramabai Dhoot (w.e.f. 17.11.2015)	Member	Promoter, Non-Executive

During the period under review, there was a change in the composition of Finance And General Affairs Committee. Consequent upon the sad demise of Mr. Anil Joshi, Mrs. Ramabai Dhoot was co-opted as the member of Finance And General Affairs Committee in place of Mr. Anil Joshi.

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

Meeting and Attendance:

During the financial year under review, the Committee met 33 times.

Name	Meetings Attended
Mr. Venugopal N. Dhoot	33
Mr. Anil Joshi (upto 16.11. 2015)	12
Mr. Radheyshyam Agarwal	33
Mrs. Ramabai Dhoot (w.e.f. 17.11.2015)	0

Terms of reference and Scope of the Committee:

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

7. RIGHTS ISSUE COMMITTEE:

Composition as on 31st December, 2015:

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

Meeting and Attendance:

No meeting was held during the year under review.

Terms of reference and Scope of the Committee:

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

8. RE-ORGANIZATION COMMITTEE:

Composition as on 31st December, 2015:

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

Meeting and attendance:

No meeting was held during the year under review.

Terms of reference:

The said Committee was formed to re-organize and segregate various business segments of the Company with a view to ensure greater focus on the operation of each of its diverse businesses, enhanced value for shareholders and improvement in the business prospects of the Company. The said Committee has the powers to engage and appoint legal, tax, financial and other consultants to advise and assist it in the above said matter and do all such acts, deeds and things, as may be required.

GENERAL BODY MEETINGS

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

AGM	Date	Location	Time	Special Resolution Passed
23rd	29th June, 2012	14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad - 431 105	12.00 Noon	NIL
24th	28th December, 2013	14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad - 431 105	11.30 am	1 (One)
25th	27th June, 2015	14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad - 431 105	10:00 am	1 (One)

- **Postal Ballot:**

No special resolution was passed through postal ballot during the financial year under review.

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

- **Extra-Ordinary General Meeting:**

One Extraordinary General Meeting was held during the year under review on 12.10.2015.

MEANS OF COMMUNICATION

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

In terms of the requirements of the Listing Agreement and SEBI Regulations, the reports, statements, documents, filings and any other information is electronically submitted to the recognized stock exchanges, through www.listing.bseindia.com and www.connect2nse.com; unless there are any technical difficulties while filing the same.

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

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

GENERAL SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING:

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

Day	Monday
Date	27th June, 2016
Time	11.30 a.m.
Venue	At the Registered Office: 14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittgaon, Taluka: Paithan Dist.: Aurangabad - 431 105 (Maharashtra)

FINANCIAL CALENDAR FOR THE YEAR ENDED 31ST DECEMBER, 2016:

The financial calendar (tentative) shall be as under:

Financial Year	1st January, 2016 to 31st December, 2016*
First Quarterly Results	On or before 15th May, 2016
Second Quarterly Results	On or before 14th August, 2016
Third Quarterly Results	On or before 14th November, 2016
Fourth Quarterly Results	On or before 1st March, 2017
Annual General Meeting for the year ending 31st December, 2016	On or before 30th June, 2017

* Unless extended by the Board of Directors of the Company.

DATE OF BOOK CLOSURE:

The date of Book Closure for the purpose of Annual General Meeting shall be from Wednesday, 15th June, 2016 to Monday, 27th June, 2016 (both days inclusive).

LISTING ON STOCK EXCHANGES AND STOCK CODE:

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

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

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

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

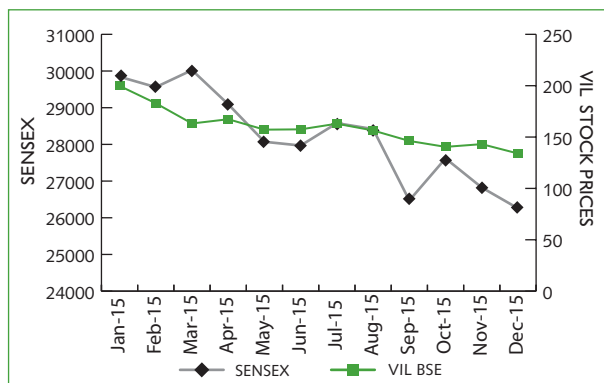
The Company has paid listing fees for the year 2015-16 to both the Stock Exchanges and the Custodial Fees for the year 2015-16 to National Securities Depository Limited and Central Depository Services (India) Limited.

MARKET PRICE DATA:

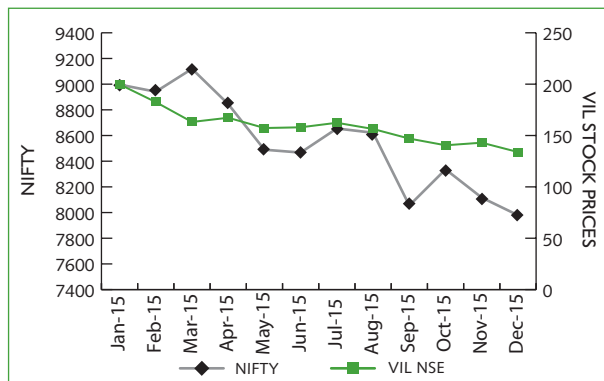
Average monthly high and low prices at BSE and NSE are given below:

Month	BSE		NSE	
	High	Low	High	Low
January-15	199.80	157.70	199.80	157.85
February-15	182.90	157.60	182.55	157.55
March-15	163.20	143.00	163.20	143.00
April-15	167.35	146.70	167.30	147.10
May-15	157.20	145.05	157.30	145.80
June-15	157.50	134.10	158.00	134.40
July-15	163.00	145.65	162.40	145.20
August-15	156.40	115.00	156.35	115.45
September-15	146.20	133.00	147.00	132.50
October-15	140.45	133.20	140.50	133.05
November-15	143.10	129.50	143.00	129.50
December-15	134.00	120.60	133.90	120.10

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



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



REGISTRAR AND TRANSFER AGENT:

MCS Share Transfer Agent Limited
002, Ground Floor,
Kashiram Jamnadas Building,
5, P D'mello Road, Masjid (East),
Mumbai - 400 009
Tel: 022 - 40206020/21/22/23/24
Fax: 022 - 40206021
E-mail: mcssta.mumbai@gmail.com

- 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 days from the date of receipt.

- DISTRIBUTION OF SHAREHOLDING:**

A) Shareholding Pattern as on 31st December, 2015:

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	41	219,978,914	65.77
(2)	Foreign	-	-	
	Sub-Total (A)	41	219,978,914	65.77
(B)	Public Shareholding			
(1)	Institutions	169	37,617,723	11.25
(2)	Non-Institutions			
	- Bodies Corporate	1,720	24,804,109	7.42
	- Individuals	302,519	12,200,370	3.65
	- Others	914	152,378	0.04
	Sub-Total (B)	305,322	74,774,580	22.36
	TOTAL (A) + (B)	305,363	294,753,494	88.13
(C)	Shares held by Custodians and against which Depository Receipt have been issued			
(1)	Promoter and Promoter Group			
(2)	Public*	1	39,705,381	11.87
	Sub-Total (C)	1	39,705,381	11.87
	GRAND TOTAL (A) + (B) + (C)	305,364	334,458,875	100.00

* The Company has extended voting right in favour of GDR holders. Accordingly the same forms part of public holding.

B) Distribution of Shareholding as on 31st December, 2015:

Shareholding of Nominal Value	Number of Shareholders	% to the total number of shareholders	No. of Shares	Amount in Rs.	% to Total value of Capital
Up to 5,000	302,126	98.940	6,125,160	61,251,600	1.831
5001 to 10000	1635	0.535	1,262,883	12,628,830	0.378
10001 to 20000	740	0.242	1,084,067	10,840,670	0.324
20001 to 30000	244	0.080	620,130	6,201,300	0.185
30001 to 40000	119	0.039	418,316	4,183,160	0.125
40001 to 50000	80	0.026	371,146	3,711,460	0.111
50001 to 100000	149	0.049	1,090,521	10,905,210	0.326
100001 and above	271	0.089	323,486,652	3,234,866,520	96.719
Total	305,364	100.00	334,458,875	3,344,588,750	100.00

- DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

The Company's Equity Shares are under compulsory demat trading by all categories of investors. As on 31st December, 2015, 33,27,46,846 Equity Shares have been dematerialized which account for 99.49 % of the total equity.

- OUTSTANDING GDRs/ ADRs/ WARRANTS OR CONVERSION INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY (31ST DECEMBER, 2015):**

The details of outstanding FCCBs (issued on 30th December, 2015) and their likely impact on the equity upon conversion are tabulated as under: -

Sr. No.	Particulars	FCCB
1	Principal Value of the FCCBs issued	USD 97,200,000
2	Principal Value of FCCBs converted into equity till 31st December, 2015	-
3	Underlying equity shares issued pursuant to conversion of FCCBs as referred S. No. 2	-
4	Principal Value of FCCBs outstanding at the end of the period i.e. as on 31st December, 2015	USD 97,200,000
5	Underlying equity shares which may be issued upon conversion of FCCBs as referred in S. No. 4 hereinabove.	47,717,636

DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES:

The Risk Management Committee identifies the risk elements and manages the risk pertaining to hedging activities and periodically discusses & mitigates the identified risks from time to time.

- **WARRANTS:**

There were no warrants issued during the year under review.

- **PLANT LOCATIONS:**

The Company has manufacturing facilities at the following locations:

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

- **ADDRESS FOR CORRESPONDENCE:**

Videocon Industries Limited

14 K.M. Stone, Aurangabad-Paithan Road,

Village: Chittegaon, Taluka: Paithan,

Dist.: Aurangabad - 431 105, Maharashtra Tel: 02431-663933

(Secretarial Dept.) Tel: 02431-251501 Fax: 02431-251551

E-mail: secretarial@videoconmail.com

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

MCS Share Transfer Agent Limited

002, Ground Floor,

Kashiram Jamnadas Building

5, P D'mello Road, Masjid (East),

Mumbai - 400 009

Tel: 022-40206020/21/22/23/24

Fax: 022- 40206021

E-mail: mcssta.mumbai@gmail.com

DISCLOSURES

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

There are no transactions which may have potential conflicts with the interests of the Company at large. Transactions with related parties are disclosed in Note No. 46 of standalone financial statement(s) of the Annual Report - Related Party Disclosures.

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

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

norms till 5th March, 2013. The promoters/promoter group of the Company acquired 49,75,056 shares, representing 1.56% of the outstanding share capital of the Company, through secondary market on different dates between 31st December, 2012 and 23rd May, 2013. However, due to such acquisition, the public shareholding of the Company fell below 25%. The acquisition has been made by the promoters/promoter group of the Company due to an understanding that the computation of promoter holding is with reference to the outstanding share capital. The shares held by the custodians against depository receipts issued overseas were included for the purpose of determining public shareholding. As the public shareholding of the Company fell below 25% on 5th March, 2013, under Rule 19A(2), the Company is under obligation to bring back the public shareholding at 25% within twelve months i.e. on or before 4th March, 2014.

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

- **Details of Establishment of Vigil Mechanism, Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee.**

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

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

The status of compliance with discretionary recommendations of the Regulation 27 of the SEBI Regulations with Stock Exchanges *inter-alia* is provided below:

- a. Shareholders' Rights: As the quarterly and half yearly financial performance along with significant events are published in the news papers and are also posted on the Company's website, the same are not being sent to the shareholders.
- b. Modified Opinion in Auditors Report: The Company's Financial Statements for the year ended 31st December, 2015 does not contain any modified audit opinion.
- c. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

- **Weblink where the policy for determining material subsidiary and related party transactions is disclosed.**

The policy on material subsidiary and related party transactions is disclosed on the Company's weblink viz. <http://www.videoconindustriesltd.com/PolicieChar.aspx>

- The Company is in compliance with the corporate governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Regulations.
- **Disclosure with respect to Demat Suspense Account/ Unclaimed Suspense Account**

As on 31st December, 2015, 104,068 Equity Shares held by 23,642 Equity Shareholders were unclaimed. The Company has transferred all the unclaimed shares into one folio in the name of "Videocon Industries Limited – Unclaimed Suspense Account" and is in process of dematerialization of the said shares. All those shareholders whose shares are unclaimed are required to contact the Company or M/s. MCS Share Transfer Agent Limited, Registrar and Transfer Agent of the Company with self attested copy of PAN Card for each of the joint shareholder(s) and Address Proof. On receipt of the request letter and on verification form, the Company shall arrange to credit the shares lying in the Unclaimed Suspense Account to demat account of concern shareholder or deliver the share certificate(s) after re-materialising the same. During the year under review, the Company has not received any request from such shareholder for transfer of any shares from the Suspense Account and as such no shares were transferred from the said Account. The voting rights on such shares shall remain frozen till the rightful owner claims the shares.

MISCELLANEOUS

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 digits).

PERMANENT ACCOUNT NUMBER:

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

NOMINATION FACILITY:

Shareholders holding shares in physical form and desirous of submitting/changing nomination in respect of their shareholding in the Company may submit Form 2B (in duplicate) as per the provisions of the Companies Act, 2013, to the Company's Registrar and Transfer Agent.

CERTIFICATES AND CONFIRMATION

CMD/CFO CERTIFICATION

To,
The Board of Directors,

VIDEOCON INDUSTRIES LIMITED

We, the Chairman and Managing Director and Chief Financial Officer of the Company, certify to the Board that:

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended on 31st December, 2015 and to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company, disclosing to the Auditors and the Audit Committee the deficiencies in the design or operation of such internal controls, if any, and take steps or propose to take steps to rectify these deficiencies.
- d) We have indicated, wherever applicable, to the Auditors and the Audit Committee:
 - i. Significant changes in Internal Control over financial reporting during the year;
 - ii. Significant changes in Accounting Policies, the same have been disclosed in the notes to the financial statement; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For VIDEOCON INDUSTRIES LIMITED

CHIEF FINANCIAL OFFICER

CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai
Date : 14th May, 2016

- **COMPLIANCE CERTIFICATE OF THE AUDITORS:**

A certificate from the Statutory Auditors of the Company confirming compliance of conditions of Corporate Governance as stipulated under Clause E of Schedule V of the SEBI Regulations is attached to this Report.

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 31st December, 2015, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

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

For KHANDELWAL JAIN & CO.

Chartered Accountants
(Firm Registration No. 105049W)

For KADAM & CO.

Chartered Accountants
(Firm Registration No. 104524W)

BHUPENDRA KARKHANIS

Partner
Membership No. 108336

U. S. KADAM

Partner
Membership No. 31055

Place : Mumbai

Date : 14th May, 2016

DECLARATION

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

For VIDEOCON INDUSTRIES LIMITED

CHAIRMAN & MANAGING DIRECTOR

Place: Mumbai
Date : 14th May, 2016

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

The Management Discussion and Analysis presented in this Annual Report focuses on reviewing the performance of the Company.

CONSUMER ELECTRONICS INDUSTRY OVERVIEW

Your Company competes, and continues to do so, primarily in the consumer electronics and durables sector. This sector comprises of three segments, viz. white goods, brown goods and consumer electronics. White goods refer to equipments such as air conditioners, refrigerators and washing machines. Brown goods allude to smaller appliances such as microwave ovens, mixers, grinders, electric fans and irons. The third category, consumer electronics, consists of televisions, computers, mobile phones and various audio and video systems. Your Company has its focus on all three segments, serving these with a wide array of products catering to all types of consumer tastes and needs.

The sector has witnessed renewed emphasis along two fronts. The focus on rural prosperity contained in the 2016 budget promises to raise rural incomes and drive up demand for discretionary purchase items such as white goods and consumer electronics. To complement this demand with supply, the Government has announced via the budget some significant provisions relating to investment promotion, technology upgradation and customs and excise duty reforms that may benefit the manufacturers in the consumer durables sector, such as your Company. However, this could be offset by overall economic downturns.

Research efforts worldwide, meanwhile, continue to expand the technology frontier. This leads the consumers to expect ever increasing sensory pleasures and conveniences from adoption of new lifestyles, made possible by new and improved machines. Your Company continues to bring to the Indian consumer the benefits of the cutting edge technology, by presenting to them what are arguably some of the most advanced devices. This is exemplified by the Aryabot air conditioner, hailed as the world's first Satellite AC, which you can control through your mobile phone, when away from your home.

Such a focus on innovations, combined with a commitment to quality and service excellence, keeps your Company poised to perform beyond expectations in the hyper-competitive consumer durables sector. A formidable sales network, spread across the length and breadth of the country, further strengthens your Company's status as a dominant competitor in the sector.

COMPANY PROFILE OF VIDEOCON

The Company is a part of a large conglomerate with diversified business interests. The culture of excellence of the group leads to strong performance in all the spheres of its activity. The Company involves itself in the manufacturing, assembly and distribution of a large variety of consumer electronics and durables products.

The growth of the Company is also intimately tied to the growth of the disposable incomes and the aspirational levels of the Indian consumer. With hectic lifestyles and better monetary rewards in return for their efforts, the Indian consumers now demand more sophisticated devices that facilitate more convenience and entertainment at home. The Company has constantly risen to this challenge by providing consumer-centric innovations contained in durable and easy to use devices that provide the advantage of reliability and ease of use and maintenance. To this end, the Company engages in the manufacture, sales and service of the following types of products:

Televisions

Refrigerators

Washing Machines

Air Conditioners

Small Home Appliances

Mobile Phones

Televisions:

Explosion of a wide variety of entertainment, news and media content in the first three decades of television broadcasting in the country has led to the current situation where a TV is considered a need rather than a comfort or luxury. High levels of penetration have been achieved, meaning that further demand comes from replacement and upgradation purchases. The increase in prosperity due to the sustained GDP growth has led to frequent upgradation of televisions. Earlier it was in terms of technology upgradation (from CRT to LCD and then LED), then in terms of screen sizes and increasingly in terms of quality of display, i.e., towards higher definitions and eventually 3D.

In terms of technology, the Company straddles both ends of the spectrum. On the old technology front, the Company believes that it is one of the last surviving manufacturers of colour TV picture tubes in the world, a position it has consolidated through acquisitions in this waning technology. Thus, it supplies this critical component to other original equipment manufacturers (OEMs) as well, reinforcing its leadership position in this category. This has ideally placed the Company in the enviable position of being able to harvest the last phase of the popularity of this still high volume segment.

On the new technology front, the Company has invested in research and design facilities in India and internationally. It continues to bring to the market TVs that have the most cutting edge technology incorporated into them. Some of the many advanced features of the Company's high-end TVs include:

1. **Liquid luminous display:** This technology enables the TV screen to reproduce up to 95% of the visualization capability of the human eye, whereas conventional LED screens are able to deliver only up to 72% in this regard. This gives a sensation of real and natural like colours.
2. **4K Ultra HD:** Such LED screens use up to 8.3 million pixels for giving best in class display with crystal clear picture.
3. **Motion sensing gaming:** This lets users enjoy games in the TV with motion controllers for greater involvement and excitement.
4. **Home cloud:** Gives wireless access and enables streaming of content from any of their other devices.
5. **2D to 3D conversion:** Facilitates creation of 3D compatible content from 2D content.
6. **3D Image Processing:** Displays 3D visuals for a more immersive feel.

7. **Windows TV:** It has Microsoft Windows software in it so that it can be used as a personal computer (PC) if the necessary peripherals (input devices) are connected.
8. **Digital Direct Broadcast (DDB):** There is no need for any set top box as it is integrated into the TV, with satellite signals being received directly by the television.
9. **Smart TV:** It has an android operating system running so that the user can also do various other things such as browse the internet and use their favourite android apps on their TV.
10. **Wireless display technologies:** Wireless display technologies such as MHL allow mirroring of mobile screen displays of the TV without use of HDMI or VGA cables.

Refrigerators:

Refrigerators, too, are no longer considered a comfort or luxury, but a dire necessity. In the current socio-economic context every household strives to have one. The middle and upper-middle classes are already migrating from the low-end direct cool refrigerators, with only one door, to the Frost Free category, having two or more doors. This helps separate different zones within the refrigerator such as the freezer and the vegetable basket/tray so that different cooling can be applied to each. Those who can afford more premium offerings gravitate towards the side-by-side (SBS) category refrigerators, which are much larger and have the doors on either side that lend them their name.

Refrigerator category growth has picked up due to multiple reasons. The increasing prosperity which drives all discretionary spending boosts sales in this segment as well. New lifestyles where food is kept for longer after cooking is also driving up demand for refrigerators. Penetration of electricity and affordable housing offer the space and possibility of buying a fridge to those who would not be able to use one earlier. With improving rural incomes due to Government support, we can expect to see further pickup in this category.

Similar to its other products, the Company's refrigerators too are designed keeping the Indian consumer's needs and choices in mind. Apart from the high quality in design and manufacturing, they also carry the signs of innovativeness that distinguish the Company's other products. These include:

1. Varied power rating to suit your electricity consumption tolerance, with up to 5 star rating.
2. Corner cooling: Enhances cooling to keep the temperature consistent within the compartment, even at the corners.
3. Freezer LED: Unique LED arrangement to lighten up the freezer and other compartments better.
4. Highly durable compressor with a 10 year warranty.
5. Humidity control that can be customized to the type of material that you intend to store.
6. Photosynthesis fresh: Optics technology that helps to keep the fruits and vegetables breathing inside the refrigerator.
7. Active air-flow: Keeps good air-flow within the compartment to keep the food fresh.
8. Wine rack: These help to keep the beverage bottles conveniently.
9. Cosmetics box where make-up items can be kept cool to prevent spoilage in summer.
10. Odour filter that helps keep bad smells at bay.
11. A separate large bottle zone kept at a greater height for convenience.
12. Cool booster pack with a lower melting point than ice, which keeps items in freezer from spoiling in case of power outage.
13. Toughened glass which can take the load of heavier utensils easily, crafted to also avoid spillage.

14. Chiller tray with bottle storage for beverages best served chilled.
15. PCM finish doors with high gloss and shine or designer patterns such as floral decorations for greater aesthetic appeal.
16. The high end SBS models also come with LCD display, mirror and anti-bacteria filter.

Washing Machines:

Growth in the sales of washing machines too has multiple causes. The most obvious one is the rise in incomes due to the economic growth of the country, leading to more discretionary and aspirational purchases. Another factor is the shift towards nuclear families, often with two bread-winners and no full-time home maker. This necessitates the deployment of a washing machine because the large volume of clothes due to the out-going nature of both the parents and the kids may overwhelm even the hired household help. Increasing number of working adult's hostels and flat-sharing among working professionals too leads to an increase in the sales of washing machines, as they may no longer be satisfied with the unreliable services of a dhobi. Rising incomes among lower-income households may also drive the women to seek more leisure and demand a washing machine to free themselves from the tedious chore of laundry.

The trends in the washing machine category mirror those in the other consumer durable category. The most pertinent trend is towards 'premiumization', i.e., a shift towards more premium offerings. Those consumers currently using semi-automatic washing machines wish to have fully automatic machines. Those using top-loading fully automatic machines seek to have the more premium front loading machines. Premiumization may also be led by features such as fuzzy wash, gentle wash and warm water wash. Sizes of the tubs and the power of the motors that drive the machines are the determinants of premium in the semi-automatic category, with the dictum being, 'the bigger the better, the more powerful the better'. The automatic washing machines too have a variety in size of the tub. While a small family of a couple and their infant may require only a 6 kg capacity machine, a larger family may go for a 10 kg washing machine to handle the daily load of dirty clothes.

As in the other categories, the Company is highly sensitive to the customer's needs and seeks to provide a variety of offerings tailored to the variegated consumer demands. Apart from the reliability and durability that are the hallmarks of the Company's offerings, they possess many desirable features such as:

1. Fuzzy wash: The machine automatically selects the detergent, the time of the wash and the amount of water required for the wash, given the clothes put in by the user.
2. Memory-back/Auto-resume: If a power outage stops the wash cycle, the machine picks up the wash from where it was stopped. This avoids having to start the wash cycle from the start.
3. Child lock: Prevents children from tampering with the set wash cycle.
4. Multiple water levels help control the amount of water used.
5. In-built heater: Heats the water ensuring that fabrics are washed gently in warm water and are cleaned better.
6. Display panels: Provides various displays to keep track of the status of the washing in one glance.
7. Auto-error detection: Detects errors such as no water inlet, drain blockage, imbalance etc.
8. Designer metal body and Designer lid.
9. Option of rust free plastic tub or metal diamond tub with diamond shaped protrusions for better cleaning.
10. Air dry to blow air into the tub during spin to dry the clothes post rinse.

11. Multiple wash programs suited to various garments.
12. Sound indicator to announce washing complete.

Air Conditioner:

The great geographical spread of India creates wide disparities in the climatic conditions within it. The Northern parts of the country have very hot summers, which lead even to deaths due to the heat wave. Hence the question of whether the demand for air conditioning in India will increase is a no-brainer given the impact of climate change and the shift towards climate extremes. Hence the latest demand for air conditioners is expected to be higher in the summer months and more in the North and Central parts of the country.

Adding on to the natural factors is the recurrent theme of this discussion, that is, the increase in prosperity due to the economic growth leading to greater discretionary consumption. This is expected to be agnostic across all regions of the country as AC becomes less of a luxury and more of a comfort, and for those exposed to it for prolonged periods, a necessity. There will also be an increase in commercial real estate due to the more business friendly stance attributed to the present ruling dispensation, witnessed in the improvement in the indicators of the ease of doing business. The latter may not be expected to increase in demand due to construction of commercial real estate.

The unquestionable trend in ACs too is in the direction of increasing premium. Premium here is measured along two dimensions: technology and power rating. The technology relates to whether the machine is window mounted or a split air conditioner. The former, being bulkier and requiring a window or a similar outlet for their mounting, are increasingly giving way to the latter. Split ACs, on the other hand, can be mounted on walls and have a separate outdoor unit which can be kept at a convenient place outside as long as the cost of the piping between the two, which can be high, can be borne. Apart from premiumization, the size is also a criterion, with sizes commonly varying from 0.75 Ton to 2 Ton for home ACs. All other things equal, a larger size indicates a greater cooling capacity.

To ride the wave of the greater adoption of split ACs in the country, the Company has left no stone unturned in serving the consumer with the choicest offerings available. This is led by the Aryabot AC, which has the feature of controlling the AC via your mobile through wi-fi even when you are far from it. This ensures that by the time the consumer is back in his home, the AC has been running for a little while, and the consumer does not have to wait for the room to cool down after switching on the AC. It can also help the consumers turn the AC off in case they forgot to, when leaving home. Thus power consumption by the AC is conserved, without sacrificing comfort or convenience.

The other split ACs from the Company too have interesting features such as:

1. Super Alloy Condenser: They are more durable than ordinary alloy condensers and make the ACs more efficient.
2. Turbo cool mode: Variable speed of the fan motor enables faster cooling when needed.
3. Auto restart: If a power outage stops cooling, the cooling is resumed upon return of the power from the same settings.
4. Filter that eliminates bacteria and dust particles.
5. Vitamin C filter fills the air with Vitamin C, which helps prevent itching due to smoke or dirt particles in the air.
6. Dehumidification: The humidity and moisture levels are controlled.
7. Auto clean: Accumulated dust and bacteria in the filter are automatically cleaned off.

The inverter ACs of the Company that go under the series name Penta, have the following features:

1. Catechin filter: It contains green tea extract that makes air healthier by removing bacteria and dust.
2. Active carbon filter eliminates unpleasant odours and keeps the room smelling fresh.
3. Low sound level does not create a disturbance to the consumer through noise.
4. The refrigerant R410A is eco-friendly and works without harming the environment.
5. Gold fins are used which are anti-rust and highly durable.

Small Home Appliances:

Your Company also offers small appliances to increase the convenience in the homes of the consumers. The Company's appliances for cooking include microwave ovens, oxy-fryers, induction cook-tops, toaster, sandwich maker, rice cooker and electric kettles. Other lifestyle appliances include electric irons and water heaters. Some of the features of the cooking appliances include:

1. Microwave ovens have a large number of auto-cook menus and combi functions for easy cooking.
2. They also have such features as digital jog wheels and lemon clean function.
3. Induction cook-tops have anti-magnetic glass plates and vessel auto detect functions.
4. Air fryers under the sub-brand oxy-fryer reduce oil use in cooking fried snacks.
5. Electric kettles have stainless steel bodies and 360 degree rotation for ease of use.
6. Pop toasters toast bread and have crumb trays, defrost function and skid resistant feet.
7. Rice cookers are non-stick coated and have attractive designs.
8. Sandwich makers have detachable plates and skid resistant feet.
9. Water heaters have high energy efficiency, decorative designs and robust metal bodies.
10. Irons have adjustable temperature knobs, non-stick plates and optional steam functions.

Mobile Phones:

Mobile phones represent a new and exciting category for your Company. Your Company aims to disrupt the market through innovative and feature packed products at an attractive price point. Our tie-ups with media houses for content further enriches the Videocon mobile experience for users. Your Company will leverage its immense experience and capabilities in design and manufacturing to be at the forefront of the mobile led digital revolution that will bring the internet based value added services to the largest number of consumers. Currently, the Company's high end mobile phones have many attractive features including:

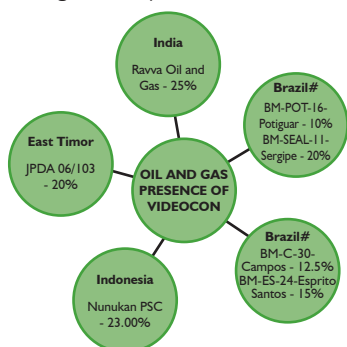
1. Latest Android 5.1 (Lollipop) operating system.
2. Powerful octa-core processors and large battery with up to 3000 mAh capacity.
3. 13 MP (mega pixel) camera with advanced features like CMOS sensor, face-detection, panorama, smile shutter, auto focus and geo tagging.
4. 5 inch HD screen with Dragontrail X Glass IPS display.
5. Dual sim card support with 4G network connectivity.
6. Pre-installed safety and entertainment apps such as V-Secure, V-Safe, Gameloft and Eros.

INDIAN OIL & GAS INDUSTRY

The oil and gas sector is among the six core industries in India and plays a major role in influencing decision making for all the other important sections of the economy. India's economic growth is closely related to energy demand; therefore the need for oil and gas is projected to grow more, thereby making the sector quite conducive for investment. The Government of India has adopted several policies to fulfil the increasing demand. The Government has allowed 100 percent Foreign Direct Investment (FDI) in many segments of the sector, including natural gas, petroleum products, and refineries, among others. However, due to low demand because of weak economic activity and a growing switch away from oil to other fuels has resulted in the deep turbulence in the oil and gas prices all over the world.

OIL & GAS – SEGMENT OF VIDEOCON

The Company has established its presence in oil and gas business, all over the world through various joint ventures and subsidiaries.



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

OPPORTUNITIES AND THREATS

The increasing discretionary incomes and improving tastes of the consumers provides the Company many opportunities and possesses some threats.

Opportunities: Consumer Electronics & Home Appliances Sector

- **Expanding market:** As per an E & Y report published in April 2015, the market for white goods (ACs, refrigerators and washing machines) and televisions is estimated to grow at a CAGR (Cumulative Average Growth Rate) of 17% between 2013 and 2020. This high growth is on account of two main factors. Firstly, economic growth will boost the consumption, especially in the rural areas. Secondly, the average selling price of each category will also improve due to consumers trading up towards more premium offerings. This will give the OEMs a more favourable model mix.
- **Lifestyle changes:** Lifestyle changes with more involvement of women at the workplace will lead to increased purchases of white goods. Consider for example the use of washing machines to lessen the work load of washing and refrigerators to help in quicker preparation of meals by cooking once and reheating refrigerated food through the other parts of the day. Greater involvement by women also brings in more disposable income, facilitating purchases of televisions and ACs as well. Change in the society's priorities away from family to work and education also increases the aspirational purchases, both due to the awareness of products through discussions at workplace and because of the 'keeping up with the Joneses' phenomenon.

- **Rise of E-Commerce:** E-Commerce companies will play a significant role in expanding the market. By offering big discounts, they are able to bring more price sensitive consumers to the market. They enable easier price discovery across sellers and platforms for the internet savvy consumers. By targeted advertisement based on product search and view history, they are able to sell with a greater persistence but with less outward aggression. Increasing trust through greater familiarity leads to more confident consumer behaviour. Risk averse consumers are also benefitted through the returns policy adopted by many such e-tailers, leading to purchase of higher value items than they would buy otherwise.
- **Availability of affordable credit:** Credit growth in the consumer electronics category has been increasing. Many banks and NBFCs offer attractive loans to purchase white goods and televisions. Consumers also use their credit cards to afford purchases of items that they would otherwise hold off on for a while. This has facilitated greater sales of consumer electronic products and this trend is expected to continue.
- **Development of infrastructure:** Electrification of rural areas is expected to provide a big thrust to the sector, since the availability of electricity is a pre-condition for purchase of consumer electronics items. Improving road infrastructure will make it possible to service geographically dispersed demand more efficiently with re-routing of inventory to where demand arises. This reduces the capital tied up in inventory and enhances the supply potential of the OEMs, enabling them to tap a greater portion of the demand.

Threats: Consumer Electronics & Home Appliances Sector

- **Rapidly changing consumer tastes:** Consumers are always on the lookout for new and novel experiences. Reliability and quality of products in the conventional sense have become hygiene factors, whose absence creates losers but whose presence does not differentiate winners. Consumers are looking for a high confluence of frills and features that surprise them with the ease of use and convenience. Staying one step ahead of the consumer's expectations and bringing something new to the table every year will be essential in retaining the excitement in the consumer's mind about a brand and its offerings.
- **Decreasing risk aversion among consumers:** Due to the plethora of distributor brands and domestic brands that specializes in import and rebranding, the consumers have a large number of brands to choose from at the low cost end of the price spectrum. Price sensitivity may lead many consumers to overcome their risk aversion. This threat will have to be countered with appropriate marketing communication about the difference in quality of the Company's products vis-à-vis such competitors and through highlighting the service reputation of the Company.
- **Preference for foreign brands:** Due to the high marketing spends of Multinational Companies (MNCs) the Company faces the threat of a preference developing among consumers for foreign brands. This will have to be countered via appropriate corporate marketing communication stressing the high pedigree of the Company and its commitment to innovation and quality.
- **Threat of concentration of sales:** The rise of modern trade retail chains of various hues leads to the risk of concentration of the Company's sales to a few large customers. This is a threat to the margins of the Company. It can be countered by enhancing the pull factors that drive sales through brand building measures at the corporate level.

Opportunities: Oil and Gas Sector

- Exploration of Oil and Gas business through mergers and acquisitions and expansion of the business.
- Scope to identify additional oil and gas blocks, domestically and internationally, those are suitable for exploration and have potential for production.

Threats: Oil and Gas Sector

- Pricing of oil and gas is subject to variation and depends on a number of factors.
- 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.
- Increased competition could adversely affect the expansion plans by limiting the number of new exploration blocks.

RISK & CONCERNS

Risks relating to Consumer Electronics & Home Appliances Business:

- **Risk of economic downturns:** If the forecast of the economic growth proves to be overly optimistic, then the discretionary consumption of the consumers will reduce. This will decrease the demand for the Company's products. Hence, the Company is vulnerable to risks from an economic downturn.
- **Disruption of supply or distribution:** If acts of God or political unrest disrupt the supply or distribution capabilities of the Company, then sales could suffer and the goodwill of the Company among consumers may be affected.
- **Disruption to trade:** Since the Company imports a certain part of its raw materials, any threats to inter-country trade between India and the sources of the Company's raw materials, due to dispute or disagreement, may affect the procurement of such components.
- **Forex risks:** The raw material imports of the Company will become costlier if the rupee weakens against the dollar. This may affect the profitability of the Company.
- **Labour unrests:** Incidence of labour unrests may disrupt the production of the Company's products and hence poses a risk to the business of the Company.
- **Adverse regulation:** If the regulatory regime becomes unfavourable and regulations are passed that hamper the existing modes of the Company's conduct of business, then the profitability of the Company may be affected.
- **Tax changes:** Changes to the tax code that may increase the incidence of tax or lead to retrogressive taxation may affect the profitability of the Company.
- **Talent management:** If high quality talent is not recruited and retained, then the competitiveness of the Company in its managerial effectiveness may be threatened.
- **Technological disruptions:** If new technologies protected by intellectual property laws revolutionize the industry, making existing products obsolete, then the Company may be affected adversely if such innovations do not come from within the Company.
- **Change in consumer tastes and priorities:** If consumers unexpectedly change their preferences and tastes to disfavour the brand positioning and product offerings of the Company, then the Company may be required to drastically reposition itself, failing which it may lose out on sales.

Risks relating to Oil and Gas Business:

- The pricing of oil and gas is subject to variation and depends on a number of factors beyond our control.
- The oil and gas industry is extremely competitive and we may not be successful when tendering for further exploration blocks.
- Exploration and production of oil in deep waters involves risk.
- The Company is exposed to the Government of India in respect of sales of oil and gas.

INTERNAL CONTROL SYSTEMS AND ACCURACY

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

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

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

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

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

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

The scope of internal audit extends to all functions and locations of the Company.

SEGMENT-WISE PERFORMANCE

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

(₹ in Million)

Segment	Year ended 31st December, 2015	18 Months ended 31st December, 2014
Consumer Electronics and Home Appliances	120,999.62	175,675.44
Crude Oil and Natural Gas	7,893.77	18,985.90
Telecommunication	10,991.29	12,933.36
Power	335.46	612.70
Others	2,724.12	1,745.46
Total	142,994.26	209,952.86

DISCUSSION ON FINANCIAL PERFORMANCE

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

Fixed Assets

The gross block of the Company as on 31st December, 2015 was ₹ 130,758.47 Million and the net block as on that date was ₹ 55,454.21 Million. During the year ended 31st December, 2015 there were additions to the gross block of fixed assets amounting to ₹ 3,179.62 Million.

Income:

Revenue from Operations

During the year ended 31st December, 2015 the Company achieved gross Revenue from Operations of ₹ 129,090.48 Million as against ₹ 195,006.59 Million for the 18 months period ended 31st December, 2014.

Other Income

Other income for the year ended 31st December, 2015 amounted to ₹ 8,443.33 Million as against ₹ 11,651.42 Million for the 18 months period ended 31st December, 2014. Other income comprises of income from investments and securities division, profit on sale of fixed assets, insurance claim received, interest and other non-operating income.

Expenditure

Cost of Goods Consumed/Sold

During the year ended 31st December, 2015 Cost of Goods Consumed/Sold stood at ₹ 80,861.33 Million as against ₹ 119,135.61 Million for the 18 months period ended 31st December, 2014.

Production and Exploration Expenses for Oil and Gas

During the year ended 31st December, 2015 the production and exploration expenses for oil and gas were ₹ 4,991.03 Million as against ₹ 13,381.98 Million for the period ended on 31st December, 2014.

Employee Benefits Expense

During the year ended 31st December, 2015, the employee benefits expense stood at ₹ 2,834.32 Million as against ₹ 4,361.74 Million for the 18 months period ended 31st December, 2014.

Other Expenses

During the year ended 31st December, 2015, the other expenses were ₹ 13,844.09 Million as against ₹ 19,355.10 Million for the 18 months period ended 31st December, 2014.

Finance Costs

For the year ended 31st December, 2015, Finance costs amounted to ₹ 23,684.59 Million as against ₹ 35,188.96 Million for the 18 months period ended 31st December, 2014.

Depreciation, Amortisation and Impairment

Depreciation for the year ended 31st December, 2015 amounted to ₹ 7,017.14 Million as against ₹ 9,858.11 Million for the 18 months period ended 31st December, 2014.

Profit/Loss Before Tax

The loss before tax stood at ₹ 607.04 Million for the year ended 31st December, 2015, as against profit of ₹ 45.95 Million for the 18 months period ended 31st December, 2014.

Tax Expenses

Tax Expenses includes Provision for Current Tax, MAT Credit Entitlement and Deferred Tax. For the year ended 31st December, 2015, the tax expenses amounted to ₹ (48.99) Million as against ₹ 15.55 Million for the 18 months period ended 31st December, 2014.

Net Profit/Loss

Net loss for the year ended 31st December, 2015, is ₹ 558.05 Million as against net profit of ₹ 30.40 Million for the 18 months period ended 31st December, 2014.

MATERIAL DEVELOPMENTS ON HUMAN RESOURCE

The Human Resource function of your Company plays a critical role in realizing business objectives by leading organizational change and effectively mobilizing talent to sustain the organization's competitive age.

The Company believes in building performance driven organization characterized by performance, pride and happiness. The Company conducts employee engagement surveys through expert agencies to identify the areas to improve upon for building a motivated and productive workforce.

The total staff strength of the Company for the financial year ended 31st December, 2015, is around 3,860.

Industrial relations remained cordial during the year under review.

OUTLOOK

The Company has adopted the best and the most sophisticated technology to suit Indian needs. The Company has been planning international forays in the same industry and has successfully forayed into international market either directly or indirectly.

The aim of the Company is to serve consumers domestically as well as internationally by creating technologically path breaking products through constant innovation. 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 by standalone facilities.

CAUTIONARY STATEMENT

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

INDEPENDENT AUDITORS' REPORT

To,
The Members of
VIDEOCON INDUSTRIES LIMITED

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **VIDEOCON INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st December, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

4. Basis for Qualified Opinion

As mentioned in Note No. 41, to the Standalone financial statements, the Company has, directly and through its subsidiaries, made investments aggregating to ₹ 75,002.03 Million (As at 31st December, 2014 ₹ 65,002.03 Million) and also given advances of ₹ 1,313.21 Million (As at 31st December, 2014 ₹ 340.46 Million) to Videocon Telecommunications Limited (VTL), the subsidiary. The licenses awarded by the Department of Telecommunications (DoT) to VTL to provide Unified Access Services (UAS) in 21 circles in India w.e.f. 25th January, 2008, were quashed by the Hon'ble Supreme Court of India, vide its order and judgement dated 2nd February, 2012. Subsequently, VTL participated in the auction conducted by DoT and has been awarded the Unified Licenses (Access Services) for 6 circles with effect from 16th February, 2013, which are valid for a period of 20 years. VTL has also been allotted spectrum in these 6 circles. VTL is continuing its commercial operations. VTL has also entered into agreement dated 16th March, 2016 with Bharti Airtel Limited, as mentioned in the said note.

VTL has been continuously incurring losses and has huge accumulated losses as at 31st December, 2015. The ability of VTL to continue as a going concern is substantially dependent on its ability to fund its operating and capital expenditure requirements. The management is confident of mobilizing the necessary resources for continuing the operations of VTL as per the business plan.

However, in view of the huge accumulated losses of the VTL, we are unable to express an opinion on the extent of realisability of aforesaid investments in and advances to VTL. The consequential effect of the above on assets and liabilities as at 31st December, 2015 and loss for the period ended on that date is not ascertainable.

5. Qualified Opinion

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

a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2015;

- b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

6. Emphasis of Matter

The standalone financial statements reflect the share of the Company in the assets and the liabilities as well as the income and expenditure of unincorporated joint venture operations on a line by line basis. The Company has participating interest of 25% in Ravva Oil and Gas Field Joint Venture through a Production Sharing Contract (PSC). The Company incorporates its share in the operations of the joint venture based on statement of account received from the Operator. The Company has received the audited financial statements for the period upto 31st March, 2015 and un-audited financial statements for the period 1st April, 2015 to 31st December, 2015 in respect of the said Joint Venture from the Operator, on which we have placed reliance.

Our opinion is not qualified in respect of this matter.

7. Report on Other Legal and Regulatory Requirements

- A. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- B. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) The matter relating to the extent of realisability of investments in and advances to a subsidiary described in paragraph 4 under basis for qualified opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31st December, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2015 from being appointed as a director in terms of Section 164(2) of the Act;
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 35 to 40 to the financial statements.
 - ii) The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **KHANDELWAL JAIN & CO.**

Chartered Accountants

(Firm Registration No. 105049W)

For **KADAM & CO.**

Chartered Accountants

(Firm Registration No. 104524W)

BHUPENDRA Y. KARKHANIS

Partner

Membership No. 108336

Place : Mumbai

Date : 14th May, 2016

U. S. KADAM

Partner

Membership No. 31055

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 7A of Independent Auditors' Report of even date to the Members of VIDEOCON INDUSTRIES LIMITED ("the Company") on the Standalone Financial Statements as of and for the year ended 31st December, 2015)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As per the information and explanations given to us, physical verification of fixed assets, other than those under joint venture, has been carried out at reasonable intervals in terms of the phased programme of verification adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company and the nature of its business.
- (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 at reasonable intervals. 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 inventories 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 inventories. 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) The Company has granted unsecured loans that are repayable on demand to 15 companies covered in the register maintained under section 189 of the Companies Act, 2013. The Company has not granted any secured/unsecured loans to firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (a) In respect of the aforesaid loans, we are informed that the parties are repaying the loans and interest wherever demanded and thus, there has been no default on the part of these companies to whom the money has been lent.
- (b) In respect of the aforesaid loans, there is no overdue amount more than rupee one lakh.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system 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 sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Value added tax, Cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st December, 2015 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 Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax, Cess which have not been deposited on account of any disputes, are given below:

Name of Statute	Nature of the Dues	₹ in Million	Forum where dispute is pending
1. Customs Act, 1962	Custom Duty and Penalties	5.83	Supreme Court
		185.37	High Court
		358.16	CESTAT
		0.93	Commissioner (Appeals)
		67.74	Commissioner
		17.19	Deputy Commissioner
		8.85	Asst. Commissioner
		0.04	Superintendent
2. Central Excise Act, 1944	Excise Duty and Penalties	1.96	High Court
		438.05	CESTAT
		3.61	Tribunal
		0.85	Deputy Commissioner
		5.12	Commissioner (Appeals)
		650.32	Commissioner
		30.30	Addl. Commissioner
		0.76	Asst. Commissioner
		59.22	Supreme Court

Name of Statute	Nature of the Dues	₹ in Million	Forum where dispute is pending
3. Finance Act, 1994 (Service Tax Provisions)	Service Tax and Penalties	45.04 0.14 2.25 0.99 0.17	CESTAT Deputy Commissioner Addl. Commissioner Asst. Commissioner Superintendent
4. Central Sales Tax Act, 1956 and Sales Tax Acts of various States	Sales Tax	38.24 10.30 17.65 374.87 370.05 0.19 17.16 24.31 12.08 0.27 131.08 11.25 8.48 6.43 24.36	High Court Commissioner Joint Commissioner (Appeals) Joint Commissioner Addl. Commissioner Deputy Commissioner (Appeals) Deputy Commissioner Assistant Commissioner Commercial Tax Officer Addl. Commercial Tax Officer Tribunal Commissioner (Appeals) Appellate Tribunal Sales Tax Officer Addl. Commissioner (Appeals)
5. Income Tax Act, 1961	Income Tax	155.23 925.78 7.97	High Court Appellate Tribunal Commissioner (Appeals)
6. Navi Mumbai Municipal Corporation	Cess	1,012.64	High Court

(c) In our opinion and according to the information and explanations given to us, the amounts required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

- (viii) There are no accumulated losses as at the end of the financial year and the Company has not incurred cash losses during the year covered by our audit and in the immediately preceding financial year.
- (ix) Based on our audit procedures and the information and explanations given to us, it is observed that, the Company has defaulted in repayment of dues to financial institutions or banks or debenture holders which are summarized below:

Particulars	Principal Amount (₹ in Million)	Interest Amount (₹ in Million)	Delay in Days – Range
Amount paid during the year	2,160.21	11,625.01	1 to 13 Days
Amount outstanding as at 31st December, 2015	-	-	-

- (x) 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.
- (xi) 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.
- (xii) 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
(Firm Registration No. 105049W)

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

BHUPENDRA Y. KARKHANIS
Partner
Membership No. 108336

U. S. KADAM
Partner
Membership No. 31055

Place : Mumbai
Date : 14th May, 2016

BALANCE SHEET

As at 31st December, 2015

(₹ in Million)

Particulars	Note No.	As at 31st Dec., 2015	As at 31st Dec., 2014
I. EQUITY AND LIABILITIES			
1) Shareholders' Funds			
a) Share Capital	2	3,344.59	3,344.59
b) Reserves and Surplus	3	99,722.86	100,280.91
		103,067.45	103,625.50
2) Grant for Ozone Project	4	61.42	-
3) Non-Current Liabilities			
a) Long-Term Borrowings	5	185,884.28	180,258.37
b) Deferred Tax Liability (Net)	6	7,043.52	7,092.51
c) Long-Term Provisions	7	2,098.85	1,971.06
		195,026.65	189,321.94
4) Current Liabilities			
a) Short-Term Borrowings	8	43,122.05	46,440.44
b) Trade Payables	9	11,648.65	11,524.70
c) Other Current Liabilities	10	25,167.28	29,785.60
d) Short-Term Provisions	11	670.18	963.15
		80,608.16	88,713.89
		378,763.68	381,661.33
II. ASSETS			
1) Non-Current Assets			
a) Fixed Assets	12		
i) Tangible Assets		55,152.67	58,778.75
ii) Intangible Assets		301.54	547.60
iii) Capital work-in-progress		7,143.59	7,292.92
b) Non-Current Investments	13	89,947.07	56,208.88
c) Long-Term Loans and Advances	14	40,130.78	79,170.73
		192,675.65	201,998.88
2) Current Assets			
a) Current Investments	15	52.00	60.39
b) Inventories	16	23,592.01	24,040.99
c) Trade Receivables	17	28,585.19	28,627.62
d) Cash and Bank Balances	18	26,761.01	24,496.96
e) Short-Term Loans and Advances	19	105,326.84	101,252.44
f) Other Current Assets	20	1,770.98	1,184.05
		186,088.03	179,662.45
		378,763.68	381,661.33
Significant Accounting Policies	1		
Notes forming part of the Financial Statements	2 to 51		

As per our report of even date

For and on behalf of the Board

For **KHANDELWAL JAIN & CO.**
Chartered AccountantsFor **KADAM & CO.**
Chartered Accountants**A. A. GUNE**
Chief Financial Officer**V. N. DHOOT**
Chairman & Managing Director
DIN 00092450**BHUPENDRA Y. KARKHANIS**
Partner
Membership No. 108336**U. S. KADAM**
Partner
Membership No. 31055**VINOD KUMAR BOHRA**
Company Secretary
Membership No. ACS15255**R. S. AGARWAL**
Director
DIN 00012594Place: Mumbai
Date : 14th May, 2016

STATEMENT OF PROFIT AND LOSS

For the year ended 31st December, 2015

(₹ in Million)

Particulars	Note No.	Year ended 31st Dec., 2015	18 Months ended 31st Dec., 2014
I. INCOME			
Revenue from Operations	21	129,090.48	195,006.59
Less: Excise Duty		4,908.35	5,330.56
Net Revenue from Operations		124,182.13	189,676.03
Other Income	22	8,443.33	11,651.42
Total Income		132,625.46	201,327.45
II. EXPENSES			
Cost of Materials Consumed	23	40,733.04	60,550.05
Purchase of Stock-in-Trade	24	39,919.33	59,621.35
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	25	208.96	(1,035.79)
Production and Exploration Expenses - Oil and Gas	26	4,991.03	13,381.98
Employee Benefits Expense	27	2,834.32	4,361.74
Finance Costs	28	23,684.59	35,188.96
Depreciation and Amortisation	12	7,017.14	9,858.11
Other Expenses	29	13,844.09	19,355.10
Total Expenses		133,232.50	201,281.50
III. Profit/(Loss) Before Tax		(607.04)	45.95
IV. Tax Expenses	30	(48.99)	15.55
V. Profit/(Loss) for the Year/Period		(558.05)	30.40
VI. Earnings per Equity Share of face value ₹10/- each	31		
Basic and Diluted		(1.67)	0.08
Significant Accounting Policies	1		
Notes forming part of the Financial Statements	2 to 51		

As per our report of even date

For and on behalf of the Board

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

For **KADAM & CO.**
Chartered Accountants

A. A. GUNE
Chief Financial Officer

V. N. DHOOT
Chairman & Managing Director
DIN 00092450

BHUPENDRA Y. KARKHANIS
Partner
Membership No. 108336

U. S. KADAM
Partner
Membership No. 31055

VINOD KUMAR BOHRA
Company Secretary
Membership No. ACS15255

R. S. AGARWAL
Director
DIN 00012594

Place: Mumbai
Date : 14th May, 2016

CASH FLOW STATEMENT

For the year ended 31st December, 2015

Particulars	(₹ in Million)	
	Year ended 31st Dec., 2015	18 Months ended 31st Dec., 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	(607.04)	45.95
Adjustments for:		
Depreciation and Amortisation	7,017.14	9,858.11
Finance Costs	23,684.59	35,188.96
Provision for Warranty and Maintenance Expenses	(10.21)	(4.78)
Provision for Gratuity	35.67	12.09
Provision for Leave Encashment	11.08	(0.05)
Provision for Abandonment and Site Restoration Costs	78.23	491.19
Provision for Doubtful Debts	14.56	36.51
Interest Income	(1,564.85)	(1,801.71)
(Write back) in Value of Investments - Net	(10.05)	(15.45)
Income from Investments and Securities Division	(2,679.31)	(236.81)
Profit on Sale of Fixed Assets	(12.14)	(110.88)
Operating Profit before Working Capital Changes	25,957.67	43,463.13
Adjustments for:		
Inventories	448.98	(2,462.02)
Trade Receivables	27.87	(337.13)
Loans and Advances	35,134.10	15,988.11
Other Current Assets	(586.93)	2,003.49
Trade Payables	123.95	111.86
Other Current Liabilities	2,665.81	(3,560.59)
Cash generated from Operations	63,771.45	55,206.85
Less: Taxes Paid (Net)	168.55	398.61
Net Cash from Operating Activities	(A) 63,602.90	54,808.24
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	46.76	157.00
Purchase of Fixed Assets (Including Capital Work-in-Progress)	(3,030.29)	(10,565.78)
Grant for Ozone Project	61.42	-
Interest Income	1,564.85	1,801.71
(Increase) in Fixed Deposits and Other Bank Balances	(4,048.97)	(17,716.30)
(Purchase)/Sale of Investments (Net)	846.81	407.51
(Increase) in Investments in Subsidiaries (Net)	(34,566.56)	(7,291.91)
Income from Investments and Securities Division	2,679.31	236.81
Net Cash (used in) Investing Activities	(B) (36,446.67)	(32,970.96)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Equity Share Capital	-	157.01
(Decrease) in Preference Share Capital	-	(153.30)
Securities Premium Received	-	2,694.49
(Decrease)/Increase in Long-Term Borrowings	(1,657.41)	23,930.97
(Decrease) in Short-Term Borrowings	(3,318.39)	(11,086.83)
Finance Costs	(23,684.59)	(35,188.96)
Payment of Dividend	(234.11)	(226.65)
Tax on Dividend	(46.65)	(38.48)
Share Issue Expenses	-	(3.13)
Net Cash (used in) Financing Activities	(C) (28,941.15)	(19,914.88)
Net Change in Cash and Cash Equivalents	(A+B+C) (1,784.92)	1,922.40
Cash and Cash Equivalents at beginning of the year/period	3,192.19	1,269.79
Cash and Cash Equivalents at end of the year/period	1,407.27	3,192.19
Other Bank Balances	25,353.74	21,304.77
Cash and Bank Balances at the end of the year/period (Note No. 18)	26,761.01	24,496.96

As per our report of even date

For and on behalf of the Board

For **KHANDELWAL JAIN & CO.**
Chartered AccountantsFor **KADAM & CO.**
Chartered Accountants**A. A. GUNE**
Chief Financial Officer**V. N. DHOOT**
Chairman & Managing Director
DIN 00092450**BHUPENDRA Y. KARKHANIS**
Partner
Membership No. 108336**U. S. KADAM**
Partner
Membership No. 31055**VINOD KUMAR BOHRA**
Company Secretary
Membership No. ACS15255**R. S. AGARWAL**
Director
DIN 00012594Place: Mumbai
Date : 14th May, 2016

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

A) Basis of Accounting

a) The financial statements are prepared under historical cost convention, except for certain Fixed Assets which are revalued, using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) including the mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014 and the Provisions of the Act.

b) Use of Estimates

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

B) Fixed Assets/Capital Work-in-Progress

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

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

C) Joint Ventures for Oil and Gas Fields

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

D) Exploration, Development Costs and Producing Properties

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

E) Abandonment Costs

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

F) Depreciation, Amortisation and Depletion

The Company provides depreciation on fixed assets held in India, to the extent of depreciable amount, on written down value method based on useful life of the assets as prescribed

in Schedule II to the Companies Act, 2013, except, a) on Fixed Assets of Consumer Electronics Divisions other than Glass Shell Division and; b) on office buildings acquired after 1st April, 2000, on which depreciation is provided on straight-line method based on useful life of the assets as prescribed in the said Schedule. Depreciation on fixed assets held outside India is provided on straight line method based on useful life of the assets as prescribed in the aforesaid Schedule. 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. Assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.

Intangible Assets are amortised over a period of five years.

G) Impairment of Assets

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

H) Investments

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

b) Non-Current Investments: Non-Current Investments are stated at cost. The decline in the value of the investment, other than temporary, is provided for.

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

I) Inventories

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

J) Borrowing Costs

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

K) Excise and Customs Duty

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

L) CENVAT/Value Added Tax

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

M) Revenue Recognition

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

b) Sales/turnover includes sales value of goods, services, excise duty, duty drawback and other recoveries such as insurance, transportation and packing charges but excludes sales tax, value added tax and recovery of financial and discounting charges.

c) Revenue from sale of electrical energy is accounted for on the basis of billing as per the provisions of Power Purchase Agreement.

d) Insurance, Duty Drawback and other claims are accounted for as and when admitted by the appropriate authorities.

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**N) Foreign Currency Transactions**

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

O) Translation of the financial statements of foreign branch

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

P) Government Grant

Grants are recognised when there is reasonable assurance that the grant will be received and conditions attached to them are complied with. Grants related to depreciable assets are treated as deferred income, which is recognised in the Statement of Profit and Loss over the period of useful life of the assets and in the proportions in which depreciation on related assets is charged.

Q) Employee Benefits

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

date and gains/losses are recognised immediately in the Statement of Profit and Loss.

iii) Leave Encashment

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

R) Taxation

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

S) Share Issue Expenses

Share issue expenses are written off to Securities Premium Account.

T) Premium on Redemption of Bonds/Debentures

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

U) Research and Development

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

V) Accounting for Leases

Where the Company is lessee:

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

W) Warranty

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

X) Provisions, Contingent Liabilities and Contingent Assets

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

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

Contingent assets are not recognised in the financial statements.

Y) Prior period items

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

Z) Other Accounting Policies

These are consistent with the generally accepted accounting principles.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(₹ in Million)

2. SHARE CAPITAL

Authorised:

	As at 31st Dec., 2015	As at 31st Dec., 2014
500,000,000 (As at 31st December, 2014 - 500,000,000) Equity Shares of ₹ 10/- each	5,000.00	5,000.00
10,000,000 (As at 31st December, 2014 - 10,000,000) Redeemable Preference Shares of ₹ 100/- each	1,000.00	1,000.00
Total	6,000.00	6,000.00

Issued, Subscribed and Paid-up:

Equity Shares

334,458,875 (As at 31st December, 2014 - 334,458,875) Equity Shares of ₹ 10/- each fully paid-up.	3,344.59	3,344.59
Total	3,344.59	3,344.59

2.1 Reconciliation of the Number of Shares:

	As at 31st Dec., 2015		As at 31st Dec., 2014	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
a) Equity Shares of ₹ 10/- each				
Outstanding at the beginning of the year/period	334,458,875	3,344.59	318,771,669	3,187.72
Issued during the year/period*	-	-	15,700,000	157.00
Less: Forfeited during the year/period	-	-	12,794	0.13
Outstanding at the end of the year/period	334,458,875	3,344.59	334,458,875	3,344.59
b) 8% Cumulative Redeemable Preference Shares of ₹ Nil (As at 31st December, 2014 ₹ Nil)				
Outstanding at the beginning of the year/period	-	-	4,523,990	150.74
Redeemed during the year/period	-	-	4,523,990	150.74
Outstanding at the end of the year/period	-	-	-	-
c) 8% Cumulative Redeemable Preference Shares of ₹ Nil (As at 31st December, 2014 ₹ Nil)				
Outstanding at the beginning of the year/period	-	-	76,870	2.56
Redeemed during the year/period	-	-	76,870	2.56
Outstanding at the end of the year/period	-	-	-	-

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

2.2 Rights, Preference and Restrictions:

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

2.3 Details of Shareholders holding more than 5% Shares:

Name of Equity Shareholders	As at 31st Dec., 2015		As at 31st Dec., 2014	
	No. of Shares	% of Holding	No. of Shares	% of Holding
a) Dome-Bell Electronics India Private Limited	19,741,704	5.90	19,741,049	5.90
b) Shree Dhoot Trading and Agencies Limited	26,604,836	7.95	26,604,836	7.95
c) Videocon Realty and Infrastructures Limited	64,670,518	19.34	63,570,518	19.01
d) Deutsche Bank Trust Company Americas (As depository of Global Deposits Receipts)	39,705,381	11.87	41,201,226	12.32

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(₹ in Million)

3. RESERVES AND SURPLUS**a) Capital Reserve (including Capital Subsidy)**

As per last Balance Sheet

Add: On Forfeiture of Equity Shares

	As at 31st Dec., 2015	As at 31st Dec., 2014
	11.19	9.75
	-	1.44
(a)	11.19	11.19

b) Capital Redemption Reserve

As per last Balance Sheet

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

	997.59	844.29
	-	153.30
(b)	997.59	997.59

c) Securities Premium Account

As per last Balance Sheet

Add: Received during the year/period

Less: Reversal of Securities Premium pertaining to shares forfeited

Less: Share Issue Expenses

	48,876.99	46,188.60
	-	2,694.27
	-	2.75
	-	3.13
(c)	48,876.99	48,876.99

d) Bond/Debt Redemption Reserve

As per last Balance Sheet

Add/(Less): Transferred from/(to) Surplus in the Statement of Profit and Loss

	5,016.75	2,962.51
	(3,398.37)	2,054.24
(d)	1,618.38	5,016.75

e) General Reserve

As per last Balance Sheet

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

	16,801.48	16,501.48
	-	300.00
(e)	16,801.48	16,801.48

f) Surplus in the Statement of Profit and Loss

As per last Balance Sheet

Add: Profit/(Loss) for the year/period

Add: Transfer from Bond/Debt Redemption Reserve

Balance available for Appropriations**Less: Appropriations**

Transfer to Capital Redemption Reserve

Transfer to Bond/Debt Redemption Reserve

Transfer to General Reserve

Proposed Dividend - Equity Shares

Proposed Dividend - Preference Shares

Tax on Proposed Dividend

	28,576.91	31,334.00
	(558.05)	30.40
	3,398.37	-
	31,417.23	31,364.40
	-	153.30
	-	2,054.24
	-	300.00
	-	230.14
	-	3.16
	-	46.65
(f)	31,417.23	28,576.91

Total (a to f)

	99,722.86	100,280.91
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4. During the year, the Company has received Grant of ₹ 64.40 Million from Ozone Cell, Ministry of Environment & Forests, Government of India for financing the machinery under the Ozone Project. As per the accounting policy followed by the Company, the Grant received for Ozone Project has been treated as "deferred income" to be recognised in the Statement of Profit and Loss over the useful life of the assets under the Ozone Project. Accordingly, an amount of ₹ 2.98 Million (Previous period ₹ Nil) has been allocated to income and credited to other non-operating income, in proportion to the depreciation charged on those assets for the year. The balance deferred income has been carried to Balance Sheet as Grant for Ozone Project.

(₹ in Million)

5. LONG-TERM BORROWINGS**a) Secured**

Rupee Term Loans from Banks

Rupee Term Loans from Financial Institutions

Vehicle Loan from Banks

Foreign Currency Convertible Bonds

	As at 31st Dec., 2015		As at 31st Dec., 2014	
	Non-Current	Current	Non-Current	Current
	171,361.02	8,428.30	171,421.58	3,141.62
	8,043.12	180.63	8,706.31	286.09
	6.62	47.55	51.32	71.89
	6,473.52	-	-	-
(a)	185,884.28	8,656.48	180,179.21	3,499.60

b) Unsecured

Rupee Term Loans from Banks

Foreign Currency Convertible Bonds

Sales Tax Deferral

	-	75.00	75.00	100.00
	-	-	-	12,402.72
	-	-	4.16	12.48
(b)	-	75.00	79.16	12,515.20
Total (a+b)	185,884.28	8,731.48	180,258.37	16,014.80

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

5.1 Secured Loans:

- a) Rupee Term Loans from Banks and Financial Institutions:
- i) The Company alongwith 12 other affiliates/entities (collectively referred to as 'Obligors' and individually referred to as 'Borrower') executed facility agreement with consortium of existing domestic rupee term lenders, in the obligor/co-obligor structure, wherein all the Rupee Term Loans of the Obligors are pooled together. The Borrower entities covered are Videocon Industries Limited (VIL), Value Industries Limited, Trend Electronics Limited, KAIL Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Sky Appliances Limited, Techno Electronics Limited, Century Appliances Limited, PE Electronics Limited, Techno Kart India Limited, Evans Fraser and Co. (India) Limited and Videocon International Electronics Limited.
Loans amounting to ₹ 165,314.26 Million (As at 31st December, 2014 ₹ 167,393.20 Million) are secured by first *pari passu* charge on all present and future tangible/intangible assets (excluding the Identified Properties) of each of the Borrower, first *pari passu* charge on the Trust and Retention Accounts of the Borrowers, second *pari passu* charge on Identified Assets of Videocon Hydrocarbon Holdings Limited's (VHHL) subsidiaries through pledge of entire shareholding of VHHL in these overseas subsidiaries, second charge on pledge of 100% shares of Videocon Oil Ventures Limited and VHHL, second *pari passu* charge on VHHL's share of cash flows from Identified Assets and second *pari passu* charge over current assets of each of the Borrowers. The Rupee Term Loans are also secured by first ranking pledge over specified numbers of equity shares of Videocon Industries Limited, Trend Electronics Limited and Value Industries Limited held by the Promoters, the personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot, Mr. Rajkumar N. Dhoot and first *pari passu* charge on 'Videocon' brand (Also refer Note No. 37).
 - ii) Loans amounting to ₹ 461.31 Million (As at 31st December, 2014 ₹ 512.40 Million) is secured by mortgage of immovable assets and first charge on movable assets, cash flows and intangible assets pertaining to the 5.75 MW Multi Crystalline Silicon Photovoltaic Technology Project at Warora.
 - iii) Loans amounting to ₹ 17,387.50 Million (As at 31st December, 2014 ₹ 10,750.00 Million) are secured by first *pari passu* charge on book debts of consumer electronics and home appliances division which are not charged to bankers for securing working capital loans and first *pari passu* charge on equitable mortgage of specified properties owned by the Company and owned by other 6 entities. The loans are further secured by personal guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot and corporate guarantees of the entities whose properties have been mortgaged.
 - iv) Loans amounting to ₹ 1,850.00 Million (As at 31st December, 2014 ₹ 2,250.00 Million) is secured by subservient charge on current assets of the Company, pledge of equity shares of Videocon Industries Limited held by other entities and personal guarantee of Mr. Venugopal N. Dhoot.
 - v) Loans amounting to ₹ 1,500.00 Million (As at 31st December, 2014 ₹ 2,500.00 Million) is secured by subservient charge on current assets of the Company, extension of pledge of equity shares of Videocon Industries Limited mentioned in note no. (iv) above and pledge of equity shares of Videocon d2h Limited held by other entities, mortgage of properties owned by other entities and personal guarantee of Mr. Venugopal N. Dhoot.
 - vi) Loans amounting to ₹ 1,500.00 Million (As at 31st December, 2014 ₹ Nil) is secured by mortgage of specified property owned by the Company, negative lien on property owned by other entities and personal guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.
- b) Vehicle Loan from Banks are secured by way of hypothecation of Vehicles acquired out of the said loan. The loans are also secured by personal guarantee of Mr. Venugopal N. Dhoot.
- c) The Company has issued 4.30 per cent Foreign Currency Convertible Bonds (Bonds) of US\$ 97,200,000 during the year 2015, due on 31st December, 2020 (Maturity Date). These Bonds have been issued under the exchange offer to the holders of the Bonds of US\$ 194,400,000 due on 16th December, 2015.
- i) The Bonds are convertible at the option of the bondholders into shares, at any time on and after 9th February, 2016, up to the close of business on 21st December, 2020, at a fixed exchange rate on conversion of ₹ 66.139 per US\$ 1.00 and at initial conversion price of ₹ 134.724 per share. The conversion price will be subject to adjustment for, among other things, subdivision or consolidation of shares, bonus issues, dividends, rights issues, distributions and other dilutive events.
 - ii) All or some only of the bondholder's Bonds are redeemable at the option of the holders on 30th June, 2016 (Put Option Date).
 - iii) The Bonds are secured by way of an exclusive first ranking security interest over 40 percent of the issued equity share capital of Videocon Telecommunications Limited held by the Company and other shareholders, in favour of the Security Trustee; and by an unconditional and irrevocable personal guarantee of Mr. Venugopal N. Dhoot and Mr. Saurabh P. Dhoot.

5.2 Unsecured Loans:

The Company had issued 2,000 Foreign Currency Convertible Bonds of US\$ 100,000 each (Bonds) during the year 2010, due on 16th December, 2015, out of which 1,944 Bonds amounting to US\$ 194,400,000 were outstanding as at 31st December, 2014. The Bonds were redeemed at its principal amount by issue of new Bonds of US\$ 97,200,000 as mentioned in the Note No. 5.1 (c) above and balance in cash.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(₹ in Million)

5.3 Maturity Profile:

Maturity between 1st January, 2017 to 31st December, 2017			
Maturity between 1st January, 2018 to 31st December, 2018			
Maturity between 1st January, 2019 to 31st December, 2019			
Maturity between 1st January, 2020 to 31st December, 2020			
Maturity between 1st January, 2021 to 31st December, 2021			
Maturity between 1st January, 2022 to 31st December, 2022			
Maturity between 1st January, 2023 to 31st December, 2023			

Secured Loans		
Rupee Term Loans from Banks	Rupee Term Loans from Financial Institutions	Vehicle Loan from Banks
8,532.82	212.50	4.35
21,054.84	690.62	1.96
45,869.81	1,806.25	0.21
42,181.01	2,125.00	0.10
40,747.02	2,125.00	-
12,864.77	1,083.75	-
110.75	-	-

(₹ in Million)

6. DEFERRED TAX LIABILITY (Net)

	As at 31st Dec., 2015	As at 31st Dec., 2014
a) Deferred Tax Liability		
Related to Depreciation and Amortisation on Fixed Assets	8,367.98	8,133.39
(a)	8,367.98	8,133.39
b) Deferred Tax Assets		
i) Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961	99.44	181.74
ii) Unabsorbed Losses and Depreciation	1,209.02	783.74
iii) Others	16.00	75.40
(b)	1,324.46	1,040.88
Net Deferred Tax Liability	(a-b) 7,043.52	7,092.51

7. LONG-TERM PROVISIONS

Provision for Gratuity (Refer Note No. 34B)	192.05	151.98
Provision for Leave Encashment (Refer Note No. 34B)	57.87	48.38
Provision for Abandonment and Site Restoration Costs	1,848.93	1,770.70
Total	2,098.85	1,971.06

8. SHORT-TERM BORROWINGS**Secured**

Loans from Banks	1,500.00	4,400.00
Overdraft against Fixed Deposits	20,160.00	6,000.00
Working Capital Loans from Banks	10,312.05	10,913.12
(a)	31,972.05	21,313.12

Unsecured

Loans from Banks	11,150.00	10,499.93
Loans repayable on demand: From Others	-	14,627.39
(b)	11,150.00	25,127.32
Total (a+b)	43,122.05	46,440.44

8.1 Secured Loans:

- Short Term Loans from Banks amounting to ₹ 1,500.00 Million (As at 31st December, 2014 ₹ 1,500.00 Million) are secured by first pari-passu charge on book debts of consumer electronics and home appliances division which are not charged to bankers for securing working capital loans. The loan is further secured by personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot and Mr. Rajkumar N. Dhoot.
- Overdraft facility amounting to ₹ 20,160.00 Million (As at 31st December, 2014 ₹ 6,000.00 Million) is secured against fixed deposits held by the Company.
- Working Capital Loans from Banks are secured by hypothecation of the Company's stock of raw materials, packing materials, stock-in-process, finished goods, stores and spares, book debts of Glass Shell Division and personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot and Mr. Rajkumar N. Dhoot.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

8.2 Unsecured Loans:

- a) Unsecured Loans from Banks amounting to ₹ 9,250.00 Million (As at 31st December, 2014 ₹ 9,250.00 Million) is secured by exclusive charge over the land situated at Dist. Rewa, Madhya Pradesh owned by other entities, stake in PT. Gaung Alam Semesta's coal concession in Indonesia owned by other entities and personal guarantee of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.
- b) Unsecured Loans from Banks amounting to ₹ 1,900.00 Million (As at 31st December, 2014 ₹ Nil) is secured by lien marked on fixed deposits of other entities.

9. TRADE PAYABLES

Micro, Small and Medium Enterprises
Others

		(₹ in Million)	
		As at 31st Dec., 2015	As at 31st Dec., 2014
		97.62	75.16
		11,551.03	11,449.54
	Total	11,648.65	11,524.70

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

a)	Principle amount remaining unpaid as at the end of the period	97.62	75.16
b)	Interest due thereon as at the end of the period	0.34	0.42
c)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the suppliers beyond the appointed day during the period	9.71	6.25
d)	Interest due and payable for the period of delay in making payment	0.34	0.42
e)	Interest accrued and remaining unpaid at the end of the period	0.34	0.42
f)	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

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

10. OTHER CURRENT LIABILITIES

Current maturities of Long Term Borrowings (Refer Note No. 5)
Bank Overdraft as per books
Interest accrued but not due on Borrowings
Unclaimed Dividend
Creditors for Capital Expenditure
Payable to Related Parties
Other Payables

		(₹ in Million)	
		As at 31st Dec., 2015	As at 31st Dec., 2014
		8,731.48	16,014.80
		-	3.73
		2,610.68	2,340.56
		9.43	10.24
		44.75	80.33
		7,893.47	7,535.22
		5,877.47	3,800.72
	Total	25,167.28	29,785.60

11. SHORT-TERM PROVISIONS

Proposed Dividend - Equity Shares
Proposed Dividend - Preference Shares
Provision for Tax on Dividend
Provision for Warranty and Maintenance Expenses (Refer Note No. 33)
Provision for Gratuity (Refer Note No. 34B)
Provision for Leave Encashment (Refer Note No. 34B)

		-	230.14
		-	3.16
		-	46.65
		638.25	648.46
		24.10	28.50
		7.83	6.24
	Total	670.18	963.15

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**12. FIXED ASSETS**

(₹ in Million)

Particulars	Gross Block			Depreciation/Amortisation/Impairment				Net Block		
	As at 31st Dec., 2014	Additions	Deductions/Adjustments	As at 31st Dec., 2015	As at 31st Dec., 2014	For the Year	Deductions/Adjustments	As at 31st Dec., 2015	As at 31st Dec., 2015	As at 31st Dec., 2014
i) Tangible Assets										
Freehold Land	157.82	0.88	-	158.70	-	-	-	-	158.70	157.82
Leasehold Land	48.05	-	-	48.05	13.31	0.77	-	14.08	33.97	34.74
Building	6,639.03	0.97	-	6,640.00	2,735.47	127.89	-	2,863.36	3,776.64	3,903.56
Leasehold Improvements	39.33	-	-	39.33	39.15	-	-	39.15	0.18	0.18
Plant and Machinery	110,457.01	3,108.23	31.36	113,533.88	56,567.40	6,333.82	3.41	62,897.81	50,636.07	53,889.61
Furnace	1,576.39	-	45.13	1,531.26	1,560.62	-	44.00	1,516.62	14.64	15.77
Electrical Installation	175.65	1.22	-	176.87	124.05	25.67	-	149.72	27.15	51.60
Computers	268.67	8.15	0.03	276.79	242.85	16.23	0.01	259.07	17.72	25.82
Furniture and Fixtures	218.03	3.05	-	221.08	167.97	16.19	-	184.16	36.92	50.06
Office Equipments	351.90	6.05	-	357.95	234.95	72.41	-	307.36	50.59	116.95
Vehicles	1,302.63	17.18	37.74	1,282.07	769.99	144.21	32.22	881.98	400.09	532.64
Total (i)	121,234.51	3,145.73	114.26	124,265.98	62,455.76	6,737.19	79.64	69,113.31	55,152.67	58,778.75
ii) Intangible Assets										
Computer Software	278.03	3.63	-	281.66	263.91	5.62	-	269.53	12.13	14.12
Producing Properties	6,180.57	30.26	-	6,210.83	5,647.09	274.33	-	5,921.42	289.41	533.48
Total (ii)	6,458.60	33.89	-	6,492.49	5,911.00	279.95	-	6,190.95	301.54	547.60
Total (i+ii)	127,693.11	3,179.62	114.26	130,758.47	68,366.76	7,017.14	79.64	75,304.26	55,454.21	59,326.35
As at 31st December, 2014	117,835.14	9,947.41	89.44	127,693.11	58,551.97	9,858.11	43.32	68,366.76	59,326.35	
iii) Capital Work-in-Progress	7,292.92			7,143.59					7,143.59	7,292.92

12.1. Pursuant to the requirement of Schedule II to the Companies Act, 2013, the Company has reassessed the useful life of all the fixed assets and revised the same as per the useful life as prescribed under the Act. Consequently, depreciation charged to the Statement of Profit and Loss for the current year ended 31st December, 2015 is higher by ₹ 811.64 Million.

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

	Face Value	As at 31st Dec., 2015		As at 31st Dec., 2014	
		Nos.	₹ in Million	Nos.	₹ in Million
Samtel Electronics Devices Limited	₹ 10	82,000	0.16	82,000	0.16
Trend Electronics Limited	₹ 10	1,408,800	25.41	1,408,800	25.41
Value Industries Limited	₹ 10	1,971,973	27.82	1,971,973	19.66
			53.39		45.23

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

AI Champdany Industries Limited	₹5	18,000	0.47	18,000	0.36
Asian Electronics Limited	₹5	40,000	0.13	40,000	0.13
Assam Company (India) Limited	₹1	10,000	0.06	10,000	0.05
Bajaj Auto Limited	₹10	848	0.88	20,848	21.66
Dhoot Industrial Finance Limited	₹10	4,800	0.14	4,800	0.09
Expo Gas Containers Limited	₹4	7,600	0.05	7,600	0.05
GTL Infrastructure Limited	₹10	500,000	1.40	500,000	1.21
Indbank Merchant Banking Services Limited	₹10	-	-	298,557	2.45
India Steel Works Limited	₹1	1,300	-	1,300	-
[₹ 3,965 (As at 31st December, 2014 ₹ 3,965)]					
IOL Netcom Limited	₹10	1,567,374	9.87	1,567,374	9.87
Jayaswal Neco Industries Limited	₹10	-	-	253,850	2.81
Lumax Industries Limited	₹10	7,000	2.16	7,000	2.16

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

	Face Value	As at 31st Dec., 2015		As at 31st Dec., 2014	
		Nos.	₹ in Million	Nos.	₹ in Million
Man Industries Limited	₹5	300,000	28.97	300,000	28.01
Mold-Tek Packaging Limited	₹10	1,800	0.15	1,800	0.15
Prime Securities Limited	₹5	1,762,565	9.96	1,774,153	9.46
Shree Ram Urban Infrastructure Limited	₹10	65,709	6.58	70,048	7.02
Sri Lakshmi Saraswathi Textiles (Arni) Limited	₹10	8,700	0.12	8,700	0.12
Sujana Metal Products Limited	₹5	168,731	0.57	168,731	0.57
			61.50		86.14
UNQUOTED					
A. In Equity Shares (Fully Paid-up) - Trade					
Akai Consumer Electronics India Limited	₹10	35,000	0.35	35,000	0.35
Applicomp (India) Limited	₹10	-	-	17,023,500	170.24
CE India Limited	₹10	911	0.04	911	0.04
Cristal (Cayman) Limited	US\$ 1	579,500	28.35	579,500	28.35
Digital Display Devices S.p.A.	€ 1	36,000	1.96	36,000	1.96
Eagle Corporation Limited	US\$ 1	1,000	0.05	1,000	0.05
Eagle ECorp Limited	US\$ 1	10,000	0.44	10,000	0.44
Emerald Corporate Ventures Limited	US\$ 1	1,000	0.05	1,000	0.05
Hyundai Electronics India Limited	₹10	9,500	0.10	9,500	0.10
Indian Refrigerator Company Limited	₹10	1,990,000	19.90	1,990,000	19.90
Jupiter Corporation Inc.	US\$ 1	190	0.01	190	0.01
Techno Kart India Limited	₹10	-	-	21,036,000	650.36
Plugin Sales Limited	₹100	1,900	0.19	1,900	0.19
PT Videocon Indonesia	US\$ 50	475	0.94	475	0.94
Powerking Corporation Limited	US\$ 1	2,711	0.13	2,711	0.13
Quadrant Corporation Inc	US\$ 1	190	0.01	190	0.01
Radium Appliances Private Limited - (Associate Company)	₹10	2,600	0.03	2,600	0.03
Sapphire Overseas Inc.	US\$ 1	1,900	0.08	1,900	0.08
TekCare India Private Limited	₹10	1,900	0.02	1,900	0.02
VCIL Netherlands B.V.	€ 100	34	0.13	34	0.13
Venus Corporation Limited	US\$ 1	2,982	0.14	2,982	0.14
Videocon Realty and Infrastructures Limited	₹10	8,125	0.83	8,125	0.83
			53.72		874.31
B. In Equity Shares (Fully Paid-up) - Others					
Scan Infrastructure Limited	₹10	112,500	13.66	112,500	13.66
Abhideep Global Finance Limited	₹10	45,000	22.50	45,000	22.50
Deve Sugars Limited	₹10	-	-	125,000	0.13
Ease Finance Limited	₹10	-	-	4,800	0.96
Evans Fraser & Co. (India) Limited	₹100	-	-	91,250	49.13
Geekay Exim (India) Limited	₹10	80,000	0.08	80,000	0.08
Good Value Marketing Company Limited	₹10	25,000	0.03	25,000	0.03
H1 Hospitality Private Limited	₹10	1,900	0.02	1,900	0.02
Holzmann Videocon Engineers Limited	₹10	990,600	-	990,600	-
Kay Kay Construction Limited	₹10	-	-	4,500	0.90
Kores (India) Limited	₹10	1,170,000	1.17	1,170,000	1.17
Lexus Infotech Limited	₹10	500,000	50.00	500,000	50.00
Motcab Finance Private Limited	₹10	100,000	10.00	100,000	10.00
Mayank Global Finance Limited	₹10	16,068	1.80	16,068	1.80
Mayank Securities Private Limited	₹10	59,420	9.71	59,420	9.71
Panorama Logistic Solutions Limited	₹10	-	-	5,000	0.05

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

	Face Value	As at 31st Dec., 2015		As at 31st Dec., 2014	
		Nos.	₹ in Million	Nos.	₹ in Million
Paramount Global Limited	US\$ 1	256,000	11.24	256,000	11.24
Raa Media Private Limited	₹10	9,700	0.10	-	-
Sangam Infratech Limited	₹10	875,000	87.50	-	-
Siris Limited	₹10	13,200	0.01	13,200	0.01
Sky Billion Trading Limited	US\$ 1	203,680	9.43	203,680	9.43
Snipher Infocom Private Limited	₹100	500,000	50.00	500,000	50.00
Diamond Polymers Private Limited	₹10	30,000	15.00	30,000	15.00
The Banaras State Bank Limited	₹100	-	-	25,000	0.03
Titan Realty Private Limited	₹10	2,500	0.03	2,500	0.03
Trinity Infratech Private Limited	₹10	500,000	80.00	500,000	80.00
Veronica Properties Private Limited	₹10	2,500	0.03	2,500	0.03
Videocon (Mauritius) Infrastructure Ventures Limited	US\$ 1	100,700	4.29	100,700	4.29
Videocon Realty Private Limited	₹10	2,500	0.03	2,500	0.03
Videocon SEZ Infrastructures Private Limited	₹10	2,500	0.03	2,500	0.03
Yash - V - Jewels Limited	₹10	500,000	50.00	500,000	50.00
Zodiac Corporation Limited	US\$ 1	190	0.01	190	0.01
			416.64		380.24
C. In Equity Shares (Fully Paid-up) - Subsidiaries					
Chhattisgarh Power Ventures Private Limited	₹10	10,000	0.10	10,000	0.10
Liberty Videocon General Insurance Company Limited	₹10	556,450,000	5,564.50	556,450,000	5,564.50
Middle East Appliances LLC	RO 1	2,251,800	361.77	2,251,800	361.77
Pipavav Energy Private Limited	₹10	550,000,000	5,500.00	550,000,000	5,500.00
Prosperous Energy Private Limited	₹10	10,000	0.10	10,000	0.10
Senior Consulting Private Limited	₹10	1	0.11	1	0.11
Videocon Electronics (Shenzhen) Limited (Chinese name - Weiyokang Electronic (Shenzhen) Co., Ltd.)	US\$ 1	135,000	6.42	135,000	6.42
Videocon Energy Limited	₹10	100,000,000	1,000.00	100,000,000	1,000.00
Videocon Global Limited	US\$ 1	869,000	48.92	802,500	44.48
Videocon Hydrocarbon Holdings Limited *	US\$ 1	2,030,000	92.75	2,030,000	92.75
Videocon International Electronics Limited *	₹10	5,225,422,641	52,254.23	3,000,000,000	30,000.00
Videocon Oil Ventures Limited *	₹10	185,000,000	9,500.00	100,000,000	1,000.00
Videocon Telecommunications Limited *	₹10	1,396,965,871	13,969.66	1,016,177,918	10,161.78
			88,298.57		53,732.01
D. In Equity Shares (Fully Paid-up) - Joint Ventures					
Videocon Infinity Infrastructure Private Limited	₹10	5,000	0.05	5,000	0.05
			0.05		0.05
E. In Preference Shares (Fully Paid-up)					
Agharna Real Estate Private Limited	₹100	75,000	7.50	-	-
Plugin Sales Limited	₹100	3,800	0.38	3,800	0.38
Raa Media Private Limited	₹10	3,479,500	34.80	-	-
Trend Electronics Limited	₹100	10,000,000	1,000.00	10,000,000	1,000.00
Videocon Power Limited	₹10	5,000,000	20.00	5,000,000	20.00
			1,062.68		1,020.38
F. In Bonds (Fully Paid-up)					
Central Bank of India	₹1,000,000	-	-	50	50.00
IFCI Limited	₹1,000	-	-	20,000	20.00
					70.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

G. Other Investments

- i) In Shares (Fully Paid-up) of Co-Operative Bank
 Ahmednagar District Urban Central Co-Operative Bank Ltd.
 [₹ 500 (As at 31st December, 2014 ₹ 500)]
- Bharati Sahakari Bank Limited
- Bombay Mercantile Co-Operative Bank Limited
- Janata Sahakari Bank Limited
- The Saraswat Co-Operative Bank Limited

	Face Value	As at 31st Dec., 2015		As at 31st Dec., 2014	
		Nos.	₹ in Million	Nos.	₹ in Million
(i)					
	₹50	10	-	10	-
	₹50	7,670	0.38	7,670	0.38
	₹10	4,166	0.04	4,166	0.04
	₹10	857	0.09	857	0.09
	₹10	1,000	0.01	1,000	0.01
(i)			0.52		0.52
ii) In Shares (Fully Paid-up) of Co-Operative Society [₹ 250 (As at 31st December, 2014 ₹ 250)]	₹50	5	-	5	-
(i+ii)			0.52		0.52
Total Non-Current Investments			89,947.07		56,208.88
Aggregate amount of Quoted Investments			114.89		131.37
Aggregate Market value of Quoted Investments			119.78		149.70
Aggregate amount of Unquoted Investments			89,832.18		56,077.51

* Out of total Investments mentioned above, 2,030,000 Equity Shares of Videocon Hydrocarbon Holdings Limited, 100,000,000 Equity Shares of Videocon Oil Ventures Limited, 1,020,000,000 Equity Shares of Videocon International Electronics Limited and 1,222,430,770 Equity Shares of Videocon Telecommunications Limited are pledged with Banks, Financial Institutions and Security Trustees as security for availment of certain loans.

14. LONG-TERM LOANS AND ADVANCES

(Unsecured, considered good)

	(₹ in Million)	
	As at 31st Dec., 2015	As at 31st Dec., 2014
Capital Advances	11.56	76.42
Other Deposits	481.11	529.47
MAT Credit Entitlement	7.37	7.37
Advance Income Tax (Net of Provision)	698.37	529.82
Loans and Advances to Related Parties (Refer Note No. 47)	11,444.54	44,573.86
Loans and Advances to Others	27,487.83	33,453.79
Total	40,130.78	79,170.73

15. CURRENT INVESTMENTS

UNQUOTED - Non-Trade
In Units of Mutual Funds

	Face Value	As at 31st Dec., 2015		As at 31st Dec., 2014	
		Nos.	₹ in Million	Nos.	₹ in Million
Baroda Pioneer PSU Equity Fund	₹ 10	-	-	250,000	2.24
Birla Sunlife Cashplus - Growth	₹ 100	1,094	0.25	-	-
Canara Robeco Multicap - Growth	₹ 10	-	-	250,000	2.50
HDFC PMS Real Estate Fund	₹ 10	199,660	2.00	243,691	2.44
IDFC Cash Fund - Growth	₹ 1000	33,736	49.75	36,188	53.21
Total Current Investments			52.00		60.39

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

		(₹ in Million)				(₹ in Million)	
		As at 31st Dec., 2015	As at 31st Dec., 2014			As at 31st Dec., 2015	As at 31st Dec., 2014
16. INVENTORIES				19. SHORT-TERM LOANS AND ADVANCES			
	(As taken, valued and certified by the Management)				(Unsecured, considered good)		
	Raw Materials including	15,048.52	14,625.16		Balance with Central Excise/ Customs Department	47.45	362.23
	Consumables, Stores and Spares	2,046.16	2,682.83		Other Deposits	8.22	7.57
	Materials in Transit and in Bonded Warehouse				Loans and Advances to Related Parties (Refer Note No. 47)	41.99	153.25
	Work-in-Process	1,425.49	1,288.29		Loans and Advances to Others	105,229.18	100,729.39
	Finished Goods and Stock-in-Trade	4,617.72	4,654.40		Total	105,326.84	101,252.44
	Drilling and Production Materials	402.20	428.91				
	Crude Oil	51.92	361.40				
	Total	23,592.01	24,040.99				
17. TRADE RECEIVABLES (Unsecured)				20. OTHER CURRENT ASSETS			
	Outstanding for a period exceeding six months				Interest Accrued	890.68	364.62
	Considered Good	721.19	656.41		Insurance Claim Receivable	0.46	1.13
	Considered Doubtful	249.10	234.54		Other Receivables from Related Parties	767.56	625.89
		970.29	890.95		Other Receivables	112.28	192.41
	Less: Provision for Doubtful Debts	249.10	234.54		Total	1,770.98	1,184.05
		721.19	656.41				
	Others - Considered Good	27,864.00	27,971.21				
	Total	28,585.19	28,627.62				
18. CASH AND BANK BALANCES							(₹ in Million)
	Cash and Cash Equivalents				Year ended	18 Months ended	
	Cash on hand	8.36	8.34		31st Dec.,	31st Dec.,	
	Cheques/ Drafts on hand/ in transit	0.10	0.08		2015	2014	
	Balances with Banks in Current Accounts	1,398.81	3,183.77	21. REVENUE FROM OPERATIONS			
	(a)	1,407.27	3,192.19		Sale of Products	128,733.87	194,320.15
	Other Bank Balances				Income from Services	44.83	53.98
	In Dividend Warrant Accounts	9.43	10.24		Other Operating Revenue	311.78	632.46
	In Fixed Deposits earmarked towards Site Restoration costs	1,125.88	826.99		Total	129,090.48	195,006.59
	In Fixed Deposits lien in favour of the Registrar, Supreme Court of India (Refer Note No. 39)	2,574.22	2,574.22	21.1 Particulars of Sale of Products			
	In Other Fixed Deposits:				Electrical and Electronic items	120,678.13	175,105.79
	a) Maturity 12 months or less:				Crude Oil and Natural Gas	7,893.77	18,985.90
	- Held as margin money for credit facilities and other commitments	1,273.67	11,647.09		Electricity (Power)	161.97	228.46
	- Provided as security for overdraft facility of ₹ 20,160.00 Million (As at 31st December, 2014 ₹ 6,000.00 Million)	20,272.39	6,000.00		Total	128,733.87	194,320.15
	b) Maturity more than 12 months:			22. OTHER INCOME			
	- Held as margin money for credit facilities and other commitments	98.15	246.23		Interest Income	1,564.85	1,801.71
	(b)	25,353.74	21,304.77		Income from Investments and Securities Division (Refer Note No. 32.2)	2,689.36	252.26
	Total (a+b)	26,761.01	24,496.96		Profit on Sale of Fixed Assets	12.14	110.88
					Insurance Claim Received	5.61	34.14
					Other Non-Operating Income	4,171.37	9,452.43
					Total	8,443.33	11,651.42

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

	Year ended 31st Dec., 2015		18 Months ended 31st Dec., 2014	
	Percentage	₹ in Million	Percentage	₹ in Million
23. COST OF MATERIALS CONSUMED				
Imported	29.32	11,942.79	31.35	18,980.60
Indigenous	70.68	28,790.25	68.65	41,569.45
Total	100.00	40,733.04	100.00	60,550.05

	Year ended 31st Dec., 2015		18 Months ended 31st Dec., 2014	
	Percentage	₹ in Million	Percentage	₹ in Million
23.1 Particulars of Materials Consumed				
Printed Circuit Board (All types)		8,989.09		13,387.66
Active & Passive Components		9,823.27		14,582.40
Plastic and Wooden Parts		7,403.93		11,051.26
Other Raw Materials		14,516.75		21,528.73
Total		40,733.04		60,550.05

24. PURCHASES OF STOCK-IN-TRADE				
Electrical and Electronic items		39,919.33		59,621.35
Total		39,919.33		59,621.35

25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE				
Closing Inventories				
Finished Goods and Stock-in-Trade		4,669.64		5,015.80
Work-in-Process		1,425.49		1,288.29
(a)		6,095.13		6,304.09
Opening Inventories				
Finished Goods and Stock-in-Trade		5,015.80		4,274.26
Work-in-Process		1,288.29		994.04
(b)		6,304.09		5,268.30
(b-a)		208.96		(1,035.79)

26. PRODUCTION AND EXPLORATION EXPENSE - OIL AND GAS				
Production and Exploration Expenses		1,508.08		4,401.95
Royalty		180.06		267.98
Cess		269.65		350.17
Production Bonus		38.33		50.16
Government Share in Profit Petroleum		2,957.60		8,265.53
Insurance Expenses		37.31		46.19
Total		4,991.03		13,381.98

	Year ended 31st Dec., 2015		18 Months ended 31st Dec., 2014	
	Percentage	₹ in Million	Percentage	₹ in Million
27. EMPLOYEE BENEFITS EXPENSE				
Salary, Wages and Other Benefits		2,580.22		3,998.15
Contribution to Provident Fund and Other Funds		133.34		191.61
Staff Welfare Expenses		120.76		171.98
Total		2,834.32		4,361.74

28. FINANCE COSTS				
Interest Expenses		22,640.93		34,000.20
Other Borrowing Costs		742.86		941.03
Applicable Net Loss on Foreign Currency Transactions and Translations		300.80		247.73
Total		23,684.59		35,188.96

29. OTHER EXPENSES				
Power, Fuel and Water		720.88		1,210.79
Freight and Forwarding		1,251.92		1,842.95
Vehicle Running Expenses		357.53		754.27
Rent		217.84		336.93
Rates and Taxes		151.62		250.07
Repairs to Building		15.88		12.11
Repairs to Plant and Machinery		60.27		90.30
Other Repairs and Maintenance		45.91		84.48
Insurance		43.05		94.34
Advertisement and Publicity		1,733.74		2,345.04
Sales Promotion Expenses		190.65		237.21
Discount and Incentive Schemes		5,601.33		7,259.80
Bank Charges		166.45		249.41
Payment to Auditors (Refer Note No. 32.5)		16.77		23.26
Donation		55.59		238.62
[Includes amount paid to Nationalist Congress Party ₹ 2.50 Million and Shivsena ₹ 36.80 Million (Previous period amount paid to Bharatiya Janata Party ₹ 111.00 Million, Indian National Congress ₹ 5.00 Million, Nationalist Congress Party ₹ 50.00 Million and Telgu Desam Party ₹ 5.00 Million)]				
Directors' Sitting Fees		1.30		1.75
Legal and Professional Charges		372.35		341.31
Royalty		334.86		354.30
Printing and Stationery		21.45		34.56
Warranty and Maintenance		986.09		1,360.01
Provision for Doubtful Debts		14.56		36.51
Exchange Rate Fluctuation		535.71		780.74
Office and General Expenses		948.34		1,416.34
Total		13,844.09		19,355.10

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

	(₹ in Million)	
	Year ended 31st Dec., 2015	18 Months ended 31st Dec., 2014
30. TAX EXPENSES		
Current Tax	-	7.37
MAT Credit Entitlement	-	(7.37)
Deferred Tax	(48.99)	15.55
Total	(48.99)	15.55

31. EARNINGS PER SHARE

i) Net Profit/(Loss) attributable to Equity Shareholders		
Net Profit/(Loss) for the year/period	(558.05)	30.40
Less: Dividend on Preference Shares including Tax on the same	-	3.79
Net Profit/(Loss) attributable to Equity Shareholders	(558.05)	26.61
ii) Weighted Average Number of Equity Shares considered for calculation of Basic EPS	334,458,875	319,054,381
Weighted Average Number of Equity Shares considered for calculation of Diluted EPS (The effect of conversion option of FCCBs is anti dilutive in nature)	334,458,875	319,054,381
iii) Basic Earnings per Share of ₹ 10/- each (₹)	(1.67)	0.08
Diluted Earnings per Share of ₹ 10/- each (₹)	(1.67)	0.08

32. ADDITIONAL NOTES TO FINANCIAL STATEMENTS

32.1 During the year, there is a write back of ₹ 10.05 Million (Previous period ₹ 15.45 Million) against the diminution recognised in earlier years in the value of investments.

32.2 The Company has kept the investment activities separate and distinct from other businesses. Consequently, all the income and expenditure pertaining to investment activities have been allocated to the Investments and Securities Division and the income/(loss) after netting of the related expenditure has been shown as "Income/(Loss) from Investments and Securities Division" under "Other Income" which includes in respect of the long term investments, dividend of ₹ 0.10 Million (Previous period ₹ 1.97 Million), interest on bonds of ₹ 0.54 Million (Previous period ₹ 6.96 Million) and profit on sale/disposal of investments of ₹ 2,056.55 Million (Previous period ₹ 94.60 Million).

	(₹ in Million)	
	Year ended 31st Dec., 2015	18 Months ended 31st Dec., 2014
32.3 C.I.F. Value of Imports, Expenditure and Earnings in Foreign Currency		
a) C.I.F. Value of Imports:		
Raw Materials	19,573.17	30,875.55
Capital Goods (including advances)	127.00	225.98
b) Expenditure incurred in Foreign Currency:		
Interest and Bank Charges	1,367.77	1,519.65
Royalty	310.44	403.88
Travelling	22.69	34.01
Others	216.02	29.55
c) Other Earnings/Receipts in Foreign Currency:		
F.O.B. Value of Exports	3,768.87	6,955.65
Others (including reimbursement of Expenses)	6,169.39	24,073.50
	Year ended 31st Dec., 2015	18 Months ended 31st Dec., 2014
32.4 Remittance in Foreign Currency on account of Dividend		
The Company has paid dividend in respect of shares held by Non-Residents on repatriation basis where the amount is also credited to Non-Resident External Account (NRE A/c). The exact amount of dividend remitted in foreign currency can not be ascertained. The total amount remittable in this respect is given below:		
a) Number of Non-Resident Shareholders	1,049	1,063
b) Number of Equity Shares held by them	51,850,514	37,355,877
c) Gross Amount of Dividend (₹ in Million)	103.70	74.71
d) Year to which dividend relates	FY 2014	FY 2013
	Year ended 31st Dec., 2015	18 Months ended 31st Dec., 2014
32.5 Payment to Auditors		
a) Statutory Audit Fees	8.80	12.00
b) Tax Audit Fees	1.40	1.40
c) Out of Pocket Expenses	0.24	0.36
d) Other Services	6.33	9.50
Total	16.77	23.26

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

33. As required by Accounting Standard (AS) 29 "Provisions, Contingent Liabilities and Contingent Assets", the disclosure with respect to Provision for Warranty and Maintenance Expenses is as follows:

	(₹ in Million)	
	Year ended 31st Dec., 2015	18 Months ended 31st Dec., 2014
a) Amount at the beginning of the year/period	648.46	653.24
b) Additional provision made during the year/period	638.25	648.46
c) Amount used	619.07	624.71
d) Unused amount reversed during the year/period	29.39	28.53
e) Amount at the end of the year/period	638.25	648.46

34. EMPLOYEE BENEFITS:

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

A) Defined Contribution Plans:

Amount of ₹ 133.34 Million (Previous period ₹ 191.61 Million) related to contribution to Provident and Other Funds are recognised as an expense and shown under the head "Employee Benefits Expense" (Note No. 27) in the Statement of Profit and Loss.

B) Defined Benefit Plans:

	(₹ in Million)			
	Gratuity		Leave Encashment	
	31st Dec., 2015	31st Dec., 2014	31st Dec., 2015	31st Dec., 2014
I) The amounts recognised in the Balance Sheet as at the end of the year/period:				
a) Present value of Defined Benefit Obligation	293.19	256.37	65.70	54.62
b) Fair value of Plan Assets	77.04	75.89	-	-
c) Funded Status - Surplus/(Deficit)	(216.15)	(180.48)	(65.70)	(54.62)
d) Net Assets/ (Liability)				
i) Non-Current	(192.05)	(151.98)	(57.87)	(48.38)
ii) Current	(24.10)	(28.50)	(7.83)	(6.24)
II) The amounts recognised in the Statement of Profit and Loss for the year/period:				
a) Current Service Cost	31.15	52.25	11.11	21.75

	(₹ in Million)			
	Gratuity		Leave Encashment	
	31st Dec., 2015	31st Dec., 2014	31st Dec., 2015	31st Dec., 2014
b) Interest Cost	19.71	27.84	4.40	5.85
c) Actuarial (Gains)/ Losses	19.24	(19.75)	19.87	6.48
d) Actual return on Plan Assets	6.75	8.78	-	-
e) Total Expenses	63.35	51.56	35.38	34.08
III) The changes in Obligations during the year/ period:				
a) Present value of Defined Benefit Obligation at the beginning of the year/period	256.37	223.73	54.62	54.67
b) Current Service Cost	31.15	52.25	11.11	21.75
c) Interest Cost	19.71	27.84	4.40	5.85
d) Actuarial (Gains)/ Losses	19.24	(19.75)	19.87	6.48
e) Past Service Cost	0.95	-	0.49	-
f) Benefit Payments	34.23	27.70	24.79	34.13
g) Present value of Defined Benefit Obligation at the end of the year/ period	293.19	256.37	65.70	54.62
IV) The changes in Plan Assets during the year/ period:				
a) Plan Assets at the beginning of the year/ period	75.89	55.34	-	-
b) Contribution by Employer	15.37	22.80	-	-
c) Actual Benefits paid	20.97	11.03	-	-
d) Plan Assets at the end of the year/ period	77.04	75.89	-	-
e) Actual return on Plan Assets	6.75	8.78	-	-
V) Actuarial Assumptions				
a) Discount Rate	- 8.00% per annum			
b) Mortality	- Indian Assured Lives Mortality (2006-08) Ultimate			
c) Turnover Rate	- 5% at younger ages reducing to 1% at older ages			
d) Future Salary Increase	- 5% per annum			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

	(₹ in Million)	
	As at 31st Dec., 2015	As at 31st Dec., 2014
35. CONTINGENT LIABILITIES AND COMMITMENTS		
A) Commitments		
Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	521.50	1,032.83
B) Contingent Liabilities not provided for:		
i) Letters of Guarantees	44,693.93	43,086.10
ii) Letters of Credit opened (including Standby Letters of Credit and Letter of Comfort)	100,215.32	82,394.06
iii) Claims against the Company not acknowledged as debts		
a) Customs Duty demands and penalties under dispute [Amount paid under protest ₹ 0.07 Million (As at 31st December, 2014 ₹ 0.07 Million)]	644.18	282.77
b) Income Tax demands under dispute	1,088.98	217.63
c) Excise Duty and Service Tax demands and penalties under dispute [Amount paid under protest ₹ 34.02 Million (As at 31st December, 2014 ₹ 31.53 Million)]	1,272.80	1,230.79
d) Sales Tax demands under dispute [Amount paid under protest ₹ 73.49 Million (As at 31st December, 2014 ₹ 70.93 Million)]	1,120.21	1,135.24
e) Others [Amount paid under protest ₹ 50.00 Million (As at 31st December, 2014 ₹ 50.00 Million)]	2,175.72	2,166.72
f) Show Cause Notices (SCNs) have been served on the Operator of the Ravva Oil & Gas Field Joint Venture (Ravva JV) for non payment of Service Tax and Educational Cess on various services for the period July 2003 to 31st March, 2014. The amount involved relating to Ravva Block is ₹ 420.13 Million (As at 31st December, 2014 ₹ 419.71 Million). The Operator is contesting the SCNs/demands before Commissioner of Service Tax and has filed appeal before CESTAT, Bangalore and also writ petition before Hon'ble High Court of Madras challenging service tax demands on some of the services and believes that its position is likely to be upheld. The ultimate outcome of the matter cannot be presently determined and no provision for any liability that may result has been made in the accounts as the same is		

subject to agreement by the members of the Joint Venture. Should it ultimately become payable, the Company's share as per the participating interest would be upto ₹ 105.03 Million (As at 31st December, 2014 ₹ 104.93 Million).

- g) Disputed Income Tax demand amounting to ₹ 22.29 Million (As at 31st December, 2014 ₹ 22.29 Million) in respect of certain payments made by Ravva Oil & Gas Field Joint Venture is currently pending before the Hon'ble High Court of Madras. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made as the same is subject to agreement by the members of the Joint Venture. Should it ultimately become payable, the Company's share as per the participating interest would be upto ₹ 5.57 Million (As at 31st December, 2014 ₹ 5.57 Million).

36. There are certain disputes with the Government of India ("GOI") with respect to the Production Sharing Contract dated 28th October, 1994 ("Ravva PSC") pertaining to Ravva Oil & Gas Field which were referred to more than one international arbitration for resolution. The respective International Arbitral Tribunals have issued their respective Awards from time to time substantially in favour of the Company. However the GOI has preferred to challenge few of the Awards in various Courts in India and overseas but has not succeeded so far in any of the Courts. Pending final resolution of the disputes, certain amounts have been excess recovered, deducted or short paid by the GOI and/or its Nominees which have been challenged by the Company and the Company is seeking recovery of amounts excessively recovered, deducted or short paid by the GOI and/or its Nominees. Based on legal advice, the Company believes its contentions will be upheld. Any further sum required to be paid by the Company or recoverable by the Company in respect of any of these disputes in accordance with the determination of the amount by the Hon'ble Arbitral Tribunal/relevant courts in this regard shall be accounted for on the final outcome in those matters.
37. The Company alongwith 12 other affiliates/entities (collectively referred to as 'Obligors' or individually as 'Borrower') executed Facility Agreement with the consortium of existing domestic rupee term lenders, under the obligor/co-obligor structure, wherein all the Rupee Term Loans of the Obligors are pooled together. The Borrower entities are Videocon Industries Limited, Value Industries Limited, Trend Electronics Limited, KAIL Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Sky Appliances Limited, Techno Electronics Limited, Century Appliances Limited, PE Electronics Limited, Techno Kart India Limited, Evans Fraser and Co. (India) Limited and Videocon International Electronics Limited. As per the said Facility Agreement, the Company is agent of the Obligors and has been referred to as 'Obligor Agent'. The Rupee Term Loans have to be utilised for the purpose mentioned in the Facility Agreement which is mainly for refinancing of existing Rupee Term Loans of the Obligors. Accordingly, the Rupee Term Loans of ₹ 28,149.54 Million have been allocated to respective Obligors based on their outstanding amount as on 31st December, 2011 and the lenders have also disbursed ₹ 2,520.00 Million to some Obligors. As the Company is a co-obligor, it is contingently liable in respect of the borrowings of other Obligors/Borrowers to the extent of outstanding balance of Rupee Term Loans as on 31st December, 2015 of ₹ 29,668.18 Million (As at 31st December, 2014 ₹ 30,051.55 Million).
38. The Consortium of various banks have sanctioned the Letter of Comfort (LoC)/Stand-by Letters of Credit (SBLC) facility to the Company and its subsidiary Videocon Oil Ventures Limited (VOVL) (collectively referred to as 'Obligors') to secure the foreign currency facility raised/to be raised by Videocon

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

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

Accordingly, the Company is contingently liable in respect of the LoC/SBLC facility of VOVL to the extent of ₹ 91,480.10 Million (As at 31st December, 2014 ₹ 86,504.82 Million).

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

The Company has challenged the order of Bombay High Court by way of Special Leave Petition ('SLP') in the Supreme Court. The Company has denied its liability out of the said 'Patronage Letter'. The Company, pending the final disposal of SLP, agreed to create lien on Fixed Deposit Receipts of ₹ 1,363.82 Million and ₹ 1,210.40 Million in favour of the Registrar of Supreme Court. The Hon'ble Supreme Court has stayed the impugned order of the Bombay High Court and directed to issue notice for further hearing of the matter. The Hon'ble Supreme Court has also admitted our SLP and now matter will come up for final hearing in due course of time.

Intesa Sanpaolo S.p.A. has also obtained exparte decree against the Company from Turin Court of Italy and on the basis of said decree, Intesa Sanpaolo S.p.A. has filed suit bearing No. 2434/2012 in Bombay High Court for obtaining decree against the Company. The Company has appeared in the matter and contesting the said exparte decree on merit. The Company has been advised by the legal counsel that decree passed by Turin Court is exparte decree and is not on the merits and various substantial question of law and facts are involved in the matter and, hence, the Company has got reasonably good chances of success in the matter. However, final hearing will take place in due course of time and as such no provision has been considered in the financial statements.

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

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

41. The Company has, directly and through its subsidiaries, made investments aggregating to ₹ 75,002.03 Million (As at 31st December, 2014 ₹ 65,002.03 Million) and also given advances of ₹ 1,313.21 Million (As at 31st December, 2014 ₹ 340.46 Million) to Videocon Telecommunications Limited (VTL), the subsidiary. VTL was granted the license for providing Unified Access Services (UAS) in 21 circles by the Department of Telecommunications, Government of India (DoT) in 2008 and was also allotted spectrum in 20 circles. The Hon'ble Supreme Court of India, vide its judgement dated 2nd February, 2012, quashed all the UAS licenses granted on or after 10th January, 2008 and the subsequent allocation of spectrum to these licensees, which also included the 21 UAS licenses granted to VTL and the spectrum allotted to it.

Subsequently, VTL participated in the auction conducted by DoT and has been awarded the Unified Licenses (Access Services) for 6 circles with effect from 16th February, 2013, which are valid for a period of 20 years. VTL has also been allotted spectrum in these 6 circles. VTL has entered into agreement dated 16th March, 2016 with Bharti Airtel Limited for trading the right to use 2 x 5 MHz spectrum allotted to it in these 6 circles at an aggregate consideration of Rs. 44,280.00 Million, in terms of the Guidelines for Trading of Access Spectrum by Access Service Providers dated 12th October, 2015. The closing of the transaction is subject to satisfaction of the standard conditions including the conditions stated in the Spectrum Trading Guidelines.

Earlier, on 24th November, 2015, VTL had entered into a similar agreement with Idea Cellular Limited in respect of two circles namely Gujarat and Uttar Pradesh (West), which was mutually terminated on 15th March, 2016.

Though VTL has huge accumulated losses, its networth is positive and the management is confident of mobilizing necessary resources for continuing operations of VTL as per the business plan. VTL is continuing its commercial operations. VTL has also entered into the aforesaid agreement for trading the right to use spectrum. Accordingly, in the opinion of the management, no provision is required for diminution in the value of aforesaid investments and advances to VTL.

42. A) Unincorporated Joint Ventures:

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

The Company has participating interest of 25% in Ravva Oil and Gas Field Joint Venture (JV) through a Production

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

Sharing Contract (PSC). Other members of the JV are Oil and Natural Gas Corporation Limited, Cairn India Limited and Ravva Oil (Singapore) Pte. Limited. The parties have pursuant to the PSC, entered into a Joint Operating Agreement. Cairn India Limited is the Operator.

B) Incorporated Jointly Controlled Entities:

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

Company's share in	(` in Million)	
	31st Dec., 2015	31st Dec., 2014
Assets	7.30	6.92
Liabilities	7.25	6.87
Income	-	-
Expenses	-	-
Tax	-	-

C) The estimated amount of commitment of the Company towards contribution in various Joint Ventures for next year based on minimum work program is ₹ 1,528.78 Million (As at 31st December, 2014 ₹ 1,708.77 Million).

43. The outstanding balances of certain Trade Receivables, Trade Payables, Deposits, Advances and Other Current Assets/Liabilities are subject to confirmation and reconciliation, if any. However, in the opinion of the management, adjustment, if any, will not be material.
44. 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.
45. There are no amounts due and outstanding, to be credited to the Investor Education and Protection Fund.
46. **Related Party Disclosures:**

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

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

i) Subsidiaries:

- a) Chhattisgarh Power Ventures Private Limited
- b) Liberty Videocon General Insurance Company Limited
- c) Middle East Appliances LLC
- d) Pipavav Energy Private Limited
- e) Prosperous Energy Private Limited
- f) Videocon Electronics (Shenzhen) Limited (Chinese

Name - Weiyoukang Electronic (Shenzhen) Co., Ltd.)

- g) Videocon Global Limited
- h) Videocon Oil Ventures Limited and its subsidiaries
 - Videocon Hydrocarbon Holdings Limited and its subsidiaries
 - Videocon JPDA 06-103 Limited
 - Videocon Indonesia Nunukan Inc.
 - Videocon Energy Brazil Limited
 - Videocon Australia WA-388-P Limited
 - Videocon Mauritius Energy Limited
 - Videocon International Cooperatie U.A. and its subsidiaries (w.e.f. 16th February, 2015)
 - Videocon Hydrocarbon Ventures B.V. (w.e.f. 16th February, 2015)
 - Videocon Brazil Ventures B.V. and its subsidiary (w.e.f. 16th February, 2015)
 - Videocon Brasil Petroleo Ltda (w.e.f. 5th May, 2015)
- i) Videocon International Electronics Limited and its subsidiaries
 - Jumbo Techno Services Private Limited
 - Senior Consulting Private Limited
 - Videocon Telecommunications Limited and its subsidiary
 - Videocon Easypay Private Limited (formerly Datacom Telecommunications Private Limited)
- j) Videocon Energy Limited and its subsidiary
 - Proficient Energy Private Limited and its subsidiary
 - Applied Energy Private Limited and its subsidiaries
 - Comet Power Private Limited and its subsidiaries
 - Indigo Energy Private Limited
 - Percept Energy Private Limited

ii) Associates and Joint Ventures:

- Radium Appliances Private Limited - Associate - 26%
- Unity Power Private Limited - Associate of Applied Energy Private Limited - 26%
- Videocon Infinity Infrastructure Private Limited - Joint Venture - 50%
- IBV Brasil Petroleo Limitada - (50% Joint Venture of Videocon Energy Brazil Limited)

iii) Key Management Personnel:

- Mr. Venugopal N. Dhoot - Chairman & Managing Director
- Mr. Sunil Kumar Jain - Senior Vice President
- Mr. Sunil Tandon - Senior Vice President
- Mr. Chandramani M. Singh - Vice President
- Mr. Abhijit Kotnis - Vice President
- Mr. Ashutosh A. Gune - Chief Financial Officer
- Mr. Vinod Kumar Bohra - Company Secretary
- Mr. Arun Pal - Vice President (upto 7th March, 2015)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

B) Transactions/outstanding balances with Related Parties:

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

(₹ in Million)

Particulars	Subsidiary Companies	Associates/ Joint Venture	Key Management Personnel
Nature of Transactions			
Revenue from Operations	105.79 (216.30)		
Other Income and Reimbursement of Expenses	13,502.96 (33,964.47)		
Other Expenses	15.39 (0.79)		
Non-Current Investments (net)	34,566.56 (7,291.91)		
Long-Term Advances/Loans given	959.10 (491.12)		
Short-Term Advances/Loans given	5.51 (1.55)	0.04 (0.02)	
Long-Term Advances/Loans received back	34,088.42 (3,429.49)		
Short-Term Advances/Loans received back	116.81 (3,375.40)		
Increase in Other Payables	362.73 (7,529.10)		
Decrease in Other Payables	4.48 (3.75)		
Increase in Other Receivables	158.43 (176.10)		
Decrease in Other Receivables	16.76 (1,942.20)		
Remuneration			62.39 (79.79)
Outstanding as at 31st December, 2015			
Long Term Advances/Loans given	11,444.54 (44,573.86)		
Short Term Advances/Loans given	38.63 (149.93)	3.36 (3.32)	
Other Receivables	767.56 (625.89)		
Other Payables	7,893.47 (7,535.22)		
Non-Current Investments	88,298.57 (53,732.01)	0.08 (0.08)	

(Figures in bracket are for the period ended 31st December, 2014)

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

- Revenue from Operations from Videocon Telecommunications Limited ₹ 105.36 Million (Previous period ₹ 215.58 Million).
- Other Income and Reimbursement of Expenses received from Videocon Hydrocarbon Holdings Limited ₹ 6,094.95 Million (Previous period ₹ 23,918.55 Million), Videocon International Electronics Limited ₹ 2,317.12 Million (Previous

period ₹ 5,351.17 Million) and Videocon Oil Ventures Limited ₹ 4,871.84 Million (Previous period ₹ 4,145.43 Million).

- Other Expenses paid to Videocon Global Limited ₹ 14.99 Million (Previous period ₹ Nil) and Videocon Telecommunications Limited ₹ Nil (Previous period ₹ 0.79 Million).
- Investments in equity shares of Videocon Telecommunications Limited ₹ 3,807.88 Million (Previous period ₹ 4,526.91 Million), Videocon Oil Ventures Limited ₹ 8,500.00 Million (Previous period ₹ Nil), Videocon International Electronics Limited ₹ 22,254.23 Million (Previous period ₹ Nil) and Liberty Videocon General Insurance Company Limited ₹ Nil (Previous period ₹ 2,765.00 Million).
- Long-Term Advances/Loans Given to Videocon Telecommunications Limited ₹ 959.10 Million (Previous period ₹ Nil) and Videocon Oil Ventures Limited ₹ Nil (Previous period ₹ 419.12 Million).
- Long Term Advances/Loan received back from Videocon International Electronics Limited ₹ 23,525.00 Million (Previous period ₹ 2,987.21 Million), Videocon Oil Ventures Limited ₹ 10,563.42 Million (Previous period ₹ Nil) and Videocon Telecommunications Limited ₹ Nil (Previous period ₹ 442.28 Million).
- Short Term Advances/Loans Given to Prosperous Energy Private Limited ₹ 5.45 Million (Previous period ₹ Nil) and Comet Power Private Limited Nil (Previous period ₹ 1.50 Million).
- Short Term Advances/Loan Received back from Chhattisgarh Power Ventures Private Limited ₹ 60.26 Million (Previous period ₹ 1,449.27 Million), Pipavav Energy Private Limited ₹ 54.61 Million (Previous period ₹ 1,420.81 Million) and Prosperous Energy Private Limited ₹ Nil (Previous period ₹ 388.58 Million).
- Increase in Other Payables to Videocon Mauritius Energy Limited ₹ 330.40 Million (Previous period ₹ 7,528.40 Million).
- Decrease in Other Payables of Proficient Energy Private Limited ₹ 4.48 Million (Previous period ₹ 0.25 Million) and Liberty Videocon General Insurance Company Limited ₹ Nil (Previous period ₹ 3.49 Million).
- Increase in Other Receivables of Videocon Energy Brazil Limited ₹ 16.50 Million (Previous period ₹ 11.93 Million), Videocon Hydrocarbon Holdings Limited ₹ 141.93 Million (Previous period ₹ Nil), Videocon Indonesia Nunukan Inc. ₹ Nil (Previous period ₹ 2.98 Million) and Videocon Telecommunication Limited ₹ Nil (Previous period ₹ 161.91 Million).
- Decrease in Other Receivables of Videocon Telecommunications Limited ₹ 15.55 Million (Previous period ₹ Nil) and Videocon Hydrocarbon Holdings Limited ₹ Nil (Previous period ₹ 1,936.11 Million).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

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

a) **Loans and Advances in the nature of Loans:**

i) **Long-Term Loans and Advances:**

(₹ in Million)

Name of the Company		As at 31st Dec., 2015	As at 31st Dec., 2014
Videocon International Electronics Limited	Subsidiary	5,207.62	28,732.62
Videocon Oil Ventures Limited	Subsidiary	4,937.36	15,500.78
Videocon Telecommunications Limited	Subsidiary	1,299.56	340.46

ii) **Short Term Loans and Advances:**

(₹ in Million)

Name of the Company		As at 31st Dec., 2015	As at 31st Dec., 2014
Applied Energy Private Limited	Subsidiary	3.27	3.26
Chhattisgarh Power Ventures Private Limited	Subsidiary	-	60.26
Comet Power Private Limited	Subsidiary	-	1.91
Videocon Easypay Private Limited	Subsidiary	0.03	0.02
Indigo Energy Private Limited	Subsidiary	0.03	0.01
Liberty General Insurance Company Limited	Subsidiary	0.004	-
Percept Energy Private Limited	Subsidiary	1.05	1.03
Pipavav Energy Private Limited	Subsidiary	-	54.61
Prosperous Energy Private Limited	Subsidiary	34.25	28.80
Videocon Energy Limited	Subsidiary	-	0.03
Radium Appliances Private Limited	Associate	0.57	0.56
Videocon Infinity Infrastructure Private Limited	Joint Venture	2.79	2.76

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.

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

Particulars	Unit of measurement	As at 31st Dec., 2015	As at 31st Dec., 2014
Crude Oil	Million Metric Tonnes	0.48	0.94
Natural Gas	Million Cubic Metres	97.67	117.51

49. 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.

50. The Company has prepared the Consolidated Financial Statements as per Accounting Standard (AS) 21 and accordingly the segment information as per Accounting Standard (AS) 17 "Segment Reporting" has been presented in the Consolidated Financial Statements.

51. The figures for the current year are for a period of 12 months whereas the figures of the previous period were for 18 months and hence are not comparable. Previous period figures have been reclassified, restated, recasted to conform to the classification of the current year.

As per our report of even date

For and on behalf of the Board

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

For **KADAM & CO.**
Chartered Accountants

A. A. GUNE
Chief Financial Officer

V. N. DHOOT
Chairman & Managing Director
DIN 00092450

BHUPENDRA Y. KARKHANIS
Partner
Membership No. 108336

U. S. KADAM
Partner
Membership No. 31055

VINOD KUMAR BOHRA
Company Secretary
Membership No. ACS15255

R. S. AGARWAL
Director
DIN 00012594

Place: Mumbai
Date : 14th May, 2016

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To,
The Members of
VIDEOCON INDUSTRIES LIMITED

1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **VIDEOCON INDUSTRIES LIMITED** ("the Holding Company") and its subsidiaries (together referred to as "the Group"), its jointly controlled entities and associate companies comprising of the Consolidated Balance Sheet as at 31st December, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information ("the Consolidated Financial Statements").

2. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled companies in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and its associates and jointly controlled companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

3. Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 7(a) to 7(f) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

4. Basis for Qualified Opinion

As mentioned in Note No. 45 B (b), Videocon JPDA 06-103 Limited, a subsidiary has participating interest of 20% in the petroleum block JPDA-06-103 under a Production Sharing Contract by the Timor Sea Designated Authority. The carrying value of the exploration and evaluation assets as at 31st December, 2015 amounted to USD 126.32 Million (equivalent to ₹ 8,412.85 Million). The auditors of the said subsidiary company have qualified their audit report for not assessing the said assets for impairment as required under IFRS 6 (Corresponding to the requirement under Guidance Note on "Accounting for Oil and Gas Producing Activities (Revised 2013)" issued by ICAI and Accounting Standard 28 "Impairment of Assets" specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014), as under:

"At 31st December, 2015, management has not carried out an assessment of impairment in the carrying value of exploration and evaluation assets with a carrying value of USD 126.32 Million (equivalent to ₹ 8,412.85 Million). Accordingly, we are unable to satisfy ourselves as to the appropriateness of the carrying value of this asset. As per the requirement of IFRS 6 (Para 20(c)), the Company should test exploration and evaluation assets for impairment if exploration for mineral resource in the specified area has not led to the discovery of commercially viable quantities of mineral resources".

The consequential effect of the above on assets, liabilities and reserves as at 31st December, 2015 and loss for the year ended on that date is not ascertainable.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph 4 above*, the aforesaid consolidated financial statements give the information required by

the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled companies as at 31st December, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

6. Emphasis of Matter

Attention is invited to Note No. 43 to Consolidated Financial Statements. The auditors of subsidiary companies, namely Videocon Hydrocarbon Holdings Limited, Videocon JPDA 06-103 Limited, Videocon Indonesia Nunukan Inc., Videocon Australia WA-388-P Limited and the joint venture IBV Brasil Petroleo Limitada have given Emphasis of Matter that as the said subsidiaries and the joint venture are in exploration/appraisal stage and have spent significant amounts on acquisitions, explorations and evaluation costs and have liabilities on this account, in the absence of commercial operations, the ability to continue as a going concern is substantially dependent on their ability to raise funds or continuous financial support from Parent Company to meet their operating and capital expenditure requirement.

The management is confident of mobilizing the necessary resources for continuing the operations of all the subsidiaries and the joint venture, with the support from the Parent Company and also in view of the fact that in certain cases of companies/joint venture engaged in exploration and production of oil and gas, the operators have reported major discoveries which they intend to develop in an integrated manner to make it optimal and more economical. Accordingly, the financial statements have been prepared by the said subsidiaries and joint venture on a going concern basis.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

7. Other Matters

- a) We did not jointly audit the financial statements of 13 subsidiaries whose financial statements reflect total assets of ₹ 49,612.41 Million as at 31st December 2015, total revenue of ₹ 209.43 Million and net cash flows amounting to ₹ 8.87 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by one of us.
- b) The accompanying consolidated financial results includes total assets of ₹ 6,313.34 Million as at 31st December, 2015, total revenue of ₹ 3,210.63 Million and net cash flows amounting to ₹ (612.70) Million for the year ended on that date in respect of one subsidiary company for which the Company has received the audited financial statements for the year ended 31st March, 2015 (which have been audited by other auditor) and unaudited financial statements for the period 1st April, 2015 to 31st December, 2015 on which we have placed reliance.
- c) We did not audit the financial statements of 2 subsidiaries whose financial statements reflect total assets of ₹ 451.88 Million as at 31st December 2015, total revenue of ₹ Nil and net cash flows amounting to ₹ 0.22 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of other auditors.
- d) The accompanying consolidated financial results include total assets of ₹ 211,149.82 Million as at 31st December, 2015 and total revenue of ₹ 15,423.74 Million and net cash flows amounting to ₹ 11,073.71 Million for the year ended on that date in respect of 9 foreign subsidiaries and 1 jointly controlled entity outside India, which have been audited by other auditors, which financial statements, prepared under the generally accepted accounting principles ('GAAPs') accepted in the respective countries, other financial information and auditor's report have been furnished to us by the Company's management. The management of the Company has converted these audited financial statements from accounting principles generally accepted in the respective countries to accounting principles generally accepted in India, for the purpose of preparation of the Company's consolidated financial statements under accounting principles generally accepted in India. We audited the adjustments that were applied to prepare the consolidated financial statements made by the Company's management to convert these subsidiaries and jointly controlled entity's financial statements and information from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India and followed by the Parent Company. In our opinion the adjustments have been properly applied. We were not engaged to audit, review or apply any procedure to the financial statements of these subsidiaries and jointly controlled entity, other than with respect to the adjustments and, accordingly, we do not express an opinion on the financial statements of these subsidiaries and jointly controlled entity, from which such adjustments were derived. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our reports in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on the reports of such other auditors under the aforementioned GAAPs in respective countries and the aforesaid conversion undertaken by the management examined by us on a test basis.
- e) The consolidated financial statements also include the Company's share of profit of ₹ 20.28 Million for the year ended 31st December, 2015, in respect of 2 associates, whose financial statements have been audited by other auditors and whose reports have been furnished to us by the Company's Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these associates and our reports in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associates is based solely on the reports of such other auditors.
- f) The consolidated financial statements reflect the share of the Parent Company in the assets and the liabilities as well as the income and 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 participating interest of 25% in Rawa Oil and Gas Field Joint Venture through a Production Sharing Contract (PSC). The Company has received the audited financial statements for the period upto 31st March, 2015 and un-audited financial statements for the period 1st April, 2015 to 31st December, 2015 in respect of the said Joint Venture on which we have placed reliance.

- g) We did not audit the financial statements of 3 subsidiaries whose financial statements reflect total assets of ₹ 5.73 Million as at 31st December 2015, total revenue of ₹ Nil and net cash flows amounting to ₹ Nil for the year ended on that date. These financial statements are unaudited and have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

8. Report on Other Legal and Regulatory Requirements

- A. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- B. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) The matter relating to assessment of exploration and evaluation assets for impairment described in Basis for Qualified Opinion paragraph 4 and the going concern matter described under Emphasis of Matter paragraph 6 above, in our opinion, may have adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors of the Holding Company as on 31st December, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st December, 2015 from being appointed as a director in terms of Section 164(2) of the Act;
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note No. 34 to 41 to the consolidated financial statements.
 - ii) The Company has made provision in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India.

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

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

BHUPENDRA Y. KARKHANIS
 Partner
 Membership No. 108336

U. S. KADAM
 Partner
 Membership No. 31055

Place : Mumbai
 Date : 14th May, 2016

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 8A of the Independent Auditors' Report of even date to the members of VIDEOCON INDUSTRIES LIMITED ("the Holding Company") on the Consolidated Financial Statements as of and for the year ended 31st December, 2015)

Our reporting on the Order includes subsidiary companies, associate companies and jointly controlled companies incorporated in India, to which the Order is applicable ("the Covered Entities"), which has been either audited by other auditors or by one of us and our report in respect of those companies is based solely on the report of other auditors or the report by one of us, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

In respect of a subsidiary company incorporated in India, which has been included in the consolidated financial statements based on unaudited financial statements for the period 1st April, 2015 to 31st December, 2015, provided to us by the management, whilst in our opinion, and according to the information and explanation given to us, reporting under the Order is applicable in respect of this subsidiary company, since this company is unaudited, the possible effects of the same on our reporting under the Order in the case of consolidated financial statements has not been considered. In our opinion and according to the information and explanations given to us by the management, the financial statements and other financial information in respect of this subsidiary company is not material to the Group.

- i) (a) The Holding Company and the Covered Entities have maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As per the information and explanations given to us and as reported by other auditors of Covered Entities, physical verification of fixed assets, other than those under joint venture, have been carried out at reasonable intervals in terms of the phased programme of verification adopted by the Holding Company and the Covered Entities 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 Holding Company and respective Covered Entities and the nature of its business.
- ii) (a) As per the information and explanations given to us and as reported by other auditors of Covered Entities, the inventories (excluding stock of crude oil lying at extraction site with the Operator) have been physically verified during the year by the management of Holding Company and the Covered Entities at reasonable intervals. In our opinion and as reported by auditors of Covered Entities, 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 and as reported by auditors of Covered Entities, procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Holding Company and the Covered Entities and the nature of its business.
- (c) The Holding Company and the Covered Entities are maintaining proper records of inventories. As per the information and explanations given to us and as reported by other auditors of Covered Entities, the discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Holding Company and the Covered Entities and the same have been properly dealt with in the books of account.
- iii) The Holding Company has granted unsecured loans that is repayable on demand to one company covered in the register maintained under Section 189 of the Companies Act, 2013. The Holding Company and Covered Entities have not granted any secured/unsecured loans to firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
 - (a) In respect of the aforesaid loans, we are informed that the party is repaying the loan and interest wherever demanded and thus, there has been no default on the part of this company to whom the money has been lent.
 - (b) In respect of the aforesaid loans, there is no overdue amount more than rupee one lakh.
- iv) In our opinion and according to the information and explanations given to us and as reported by other auditors of Covered Entities, there are adequate internal control systems commensurate with the size of the Holding Company and the respective Covered Entities and the nature of their business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit and audit conducted by other auditors, we and the other auditors have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the respective companies in respect of these areas.
- v) The Holding Company and the Covered Entities have not accepted any deposits from the public.
- vi) We and other auditors of Covered Entities have broadly reviewed the books of account maintained by the respective companies in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We and other auditors have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) (a) According to the information and explanations given to us and as reported by other auditors of Covered Entities and the records examined by us, the Holding Company and the Covered Entities are regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax, Cess and any other statutory dues applicable to them. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st December, 2015 for a period of more than six months from the date they became payable.
- (b) According to the records of the Holding Company and the Covered Entities examined by us and as reported by the auditors of Covered Entities and information and explanations given to us, the particulars of dues of Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax, Cess which have not been deposited on account of any disputes, are given below:

Name of Statute	Nature of the Dues	₹ in Million	Forum where dispute is pending
1. Customs Act, 1962	Customs Duty and Penalties	5.83	Supreme Court
		185.37	High Court
		358.16	CESTAT
		0.93	Commissioner (Appeals)
		67.74	Commissioner
		17.19	Deputy Commissioner
		8.85	Asst. Commissioner
		0.04	Superintendent

2.	Central Excise Act, 1944	Excise Duty and Penalties	1.96 438.05 3.61 0.85 5.12 650.32 30.30 0.76 59.22	High Court CESTAT Tribunal Deputy Commissioner Commissioner (Appeals) Commissioner Addl. Commissioner Asst. Commissioner Supreme Court
3.	Finance Act, 1994 (Service Tax Provisions)	Service Tax and Penalties	78.23 0.14 2.25 0.99 0.17	CESTAT Deputy Commissioner Addl. Commissioner Asst. Commissioner Superintendent
4.	Central Sales Tax Act, 1956 and Sales Tax Acts of various States	Sales Tax	1.29 39.23 10.30 17.65 374.87 370.05 0.19 17.16 24.31 12.49 0.27 131.08 11.25 8.48 6.43 24.36	Supreme Court High Court Commissioner Joint Commissioner (Appeals) Joint Commissioner Addl. Commissioner Deputy Commissioner (Appeals) Deputy Commissioner Assistant Commissioner Commercial Tax Officer Addl. Commercial Tax Officer Tribunal Commissioner (Appeals) Appellate Tribunal Sales Tax Officer Addl. Commissioner (Appeals)
5.	Income Tax Act, 1961	Income Tax	155.23 925.78 7.97	High Court Appellate Tribunal Commissioner (Appeals)
6.	Navi Mumbai Municipal Corporation	Cess	1,012.64	High Court

- (c) In our opinion and according to the information and explanations given to us and as reported by other auditors of Covered Entities, the amounts required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules thereunder has been transferred to such fund within time.
- viii) There are no accumulated losses as at the end of the financial year at Group level. During the year the Group has incurred cash losses but had not incurred cash losses during the immediately preceding financial period.
- ix) Based on our audit procedures and the information and explanations given to us and as reported by other auditors of Covered Entities, it is observed that, the Holding Company and the Covered Entities have defaulted in repayment of dues to financial institutions or banks or debenture holders which are summarized below:

Particulars	Principal Amount (₹ in Million)	Interest Amount (₹ in Million)	Delay in Days – Range
Amount paid before the year end	3,862.74	15,002.82	1 to 89 days
Amount outstanding as at 31st December, 2015 and subsequently paid	718.40	870.94	1 to 89 days

- x) According to the information and explanations given to us, the terms and conditions of guarantees given by the Holding Company and the Covered Entities for loans taken by others from banks or financial institutions are *prima facie* not prejudicial to the interest of the Holding Company and the Covered Entities.
- xi) According to the information and explanations given to us and as reported by other auditors of Covered Entities, the term loans raised during the year by the Holding Company and the Covered Entities were applied, on an overall basis, for the purposes for which the loans were obtained.
- xii) According to the information and explanations given to us and as reported by other auditors of Covered Entities, no fraud on or by the Holding Company and the Covered Entities have been noticed or reported during the year.

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

BHUPENDRA Y. KARKHANIS
Partner
Membership No. 108336

Place : Mumbai
Date : 14th May, 2016

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

U. S. KADAM
Partner
Membership No. 31055

CONSOLIDATED BALANCE SHEET

As at 31st December, 2015

(₹ in Million)

Particulars	Note No.	As at 31st Dec., 2015	As at 31st Dec., 2014
I. EQUITY AND LIABILITIES			
1) Shareholders' Funds			
a) Share Capital	3	3,344.59	3,344.59
b) Reserves and Surplus	4	77,555.68	98,707.84
		80,900.27	102,052.43
2) Minority Interest		703.58	953.12
3) Grant for Ozone Project	5	61.42	-
4) Non-Current Liabilities			
a) Long-Term Borrowings	6	324,887.97	355,043.18
b) Deferred Tax Liability (Net)	7	7,043.60	7,092.51
c) Long-Term Provisions	8	2,135.80	2,012.68
		334,067.37	364,148.37
5) Current Liabilities			
a) Short Term Borrowings	9	49,757.05	46,440.44
b) Trade Payables	10	18,022.22	17,346.79
c) Other Current Liabilities	11	115,736.80	65,003.60
d) Short Term Provisions	12	2,452.83	2,207.53
		185,968.90	130,998.36
		601,701.54	598,152.28
TOTAL			
II. ASSETS			
1) Non-Current Assets			
a) Fixed Assets	13		
i) Tangible Assets		66,517.26	71,901.42
ii) Intangible Assets		19,572.08	20,992.39
iii) Capital work-in-progress		117,797.05	110,268.13
b) Pre-Operative Expenditure Pending Allocation	14	1,686.29	1,658.67
c) Goodwill on Consolidation		11,093.36	11,079.53
d) Non-Current Investments	15	26,340.11	21,473.45
e) Long-Term Loans and Advances	16	42,132.89	47,703.91
		285,139.04	285,077.50
2) Current Assets			
a) Current Investments	17	1,428.67	2,202.97
b) Inventories	18	23,649.06	24,103.72
c) Trade Receivables	19	30,477.79	30,135.66
d) Cash and Bank Balances	20	42,102.65	61,545.11
e) Short-Term Loans and Advances	21	217,362.85	194,186.82
f) Other Current Assets	22	1,541.48	900.50
		316,562.50	313,074.78
		601,701.54	598,152.28
TOTAL			
Significant Accounting Policies	1		
Notes forming part of the Financial Statements	2 to 54		

As per our report of even date

For and on behalf of the Board

For **KHANDELWAL JAIN & CO.**
Chartered AccountantsFor **KADAM & CO.**
Chartered Accountants**A. A. GUNE**
Chief Financial Officer**V. N. DHOOT**
Chairman & Managing Director
DIN 00092450**BHUPENDRA Y. KARKHANIS**
Partner
Membership No. 108336**U. S. KADAM**
Partner
Membership No. 31055**VINOD KUMAR BOHRA**
Company Secretary
Membership No. ACS15255**R. S. AGARWAL**
Director
DIN 00012594Place: Mumbai
Date : 14th May, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31st December, 2015

(₹ in Million)

Particulars	Note No.	Year ended 31st Dec., 2015	18 Months ended 31st Dec., 2014
I. INCOME			
Revenue from Operations	23	142,944.26	209,952.86
Less: Excise Duty		4,908.35	5,330.56
Net Revenue from Operations		138,035.91	204,622.30
Other Income	24	5,226.78	141,089.86
Total Income		143,262.69	345,712.16
II. EXPENSES			
Cost of Materials Consumed		40,733.04	60,550.05
Purchase of Stock-in-Trade		39,934.45	59,666.53
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	25	213.35	(1,047.76)
Production and Exploration Expenses - Oil and Gas	26	4,991.03	34,575.09
Access Charges, License Fees and Network Expenses	27	9,908.02	13,230.31
Employee Benefits Expense	28	4,520.95	6,265.74
Finance Costs	29	31,910.90	49,717.68
Depreciation and Amortisation	13	10,411.87	15,364.77
Other Expenses	30	22,819.92	32,509.21
Total Expenses		165,443.53	270,831.62
III. Profit/(Loss) Before Tax		(22,180.84)	74,880.54
Add: Share in Profit of Associates		20.28	6.05
Add: Profit/(Loss) on Disposal/ Dilution of holding in Subsidiaries/ Associates		-	(8.18)
IV. Tax Expenses	31	(48.72)	25,215.86
V. Profit/(Loss) Before Minority Interest		(22,111.84)	49,662.55
Add: Minority Interest		249.54	1,533.84
VI. Profit/(Loss) for the Year/Period		(21,862.30)	51,196.39
VII. Earnings per Equity Share of face value ₹10/- each	32		
Basic and Diluted		(65.37)	160.45
Significant Accounting Policies	1		
Notes forming part of the Financial Statements	2 to 54		

As per our report of even date

For and on behalf of the Board

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

For **KADAM & CO.**
Chartered Accountants

A. A. GUNE
Chief Financial Officer

V. N. DHOOT
Chairman & Managing Director
DIN 00092450

BHUPENDRA Y. KARKHANIS
Partner
Membership No. 108336

U. S. KADAM
Partner
Membership No. 31055

VINOD KUMAR BOHRA
Company Secretary
Membership No. ACS15255

R. S. AGARWAL
Director
DIN 00012594

Place: Mumbai
Date : 14th May, 2016

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2015

Particulars	(₹ in Million)	
	Year ended 31st Dec., 2015	18 Months ended 31st Dec., 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	(22,180.84)	74,880.54
Adjustments for:		
Depreciation and Amortisation	10,411.87	15,364.77
Finance Costs	31,910.90	49,717.68
Provision for Leave Encashment	10.56	7.41
Provision for Gratuity	39.02	16.70
Provision for Warranty and Maintenance Expenses	(10.21)	(4.78)
Provision for Abandonment and Site Restoration Costs	78.23	491.19
Provision for Doubtful Debts	24.29	41.56
Premium Deficiency Reserve	-	(2.38)
Provision for Incentive Payment	122.69	70.79
Reserve for Unexpired Risk	408.08	1,160.43
Interest Income	(1,951.50)	(1,856.11)
(Write back) in Value of Investments - Net	(10.05)	(2.02)
Income from Investments and Securities Division/Profit on Sale of Investments	(3,032.33)	(138,980.41)
(Profit)/Loss on Sale/Discard of Fixed Assets	(31.41)	(7.25)
Minority Interest for the year/period	249.54	1,533.84
Operating Profit before Working Capital Changes	16,038.84	2,431.96
Adjustments for:		
Inventories	454.66	(2,446.90)
Trade Receivables	(366.42)	(743.28)
Loans and Advances	(17,592.79)	(40,948.11)
Other Current Assets	(640.98)	54.31
Trade Payables	675.43	1,571.15
Other Current Liabilities	1,443.41	(11,713.80)
Cash generated from/(used in) Operations	12.15	(51,794.67)
Less: Taxes Paid (Net)	12.41	488.01
Net Cash (used in) Operating Activities	(A) (0.26)	(52,282.68)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets/ Adjustment on account of disposal/ Cessation of Subsidiaries (Net)	270.81	1,066.84
(Increase) in Fixed Assets (Including Capital Work-in-Progress)	(11,375.72)	(25,391.56)
Grant for Ozone Project	61.42	-
(Increase) in Pre-Operative Expenditure pending Allocation	(27.62)	(52.55)
Share in Profit of Associates	20.28	6.05
Adjustment on Disposal/ Dilution of Subsidiaries/ Associates	-	(8.18)
Interest Income	1,951.50	1,856.11
Decrease/(Increase) in Other Bank Balances	28,150.17	(50,225.03)
(Purchase)/Sale of Investments (Net)	(4,082.31)	(15,492.94)
(Increase) in Goodwill on Consolidation	(13.83)	-
Income from Investments and Securities Division/ Profit on Sale of Investments	3,032.33	138,980.41
Net Cash from Investing Activities	(B) 17,987.03	50,739.15
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Equity Share Capital	-	157.01
(Decrease) in Preference Share Capital	-	(153.30)
Securities Premium Received	-	2,694.49
Increase in Foreign Currency Translation Reserve on Consolidation	710.14	1,303.94
(Decrease) in Minority Interest	(249.54)	(1,126.69)
Increase in Long-Term Borrowings	19,135.39	62,613.19
Increase/(Decrease) in Short-Term Borrowings	3,316.61	(11,643.21)
Finance Costs	(31,910.90)	(49,717.68)
Payment of Dividend	(234.11)	(226.65)
Tax on Dividend	(46.65)	(38.48)
Share Issue Expenses	-	(3.13)
Net Cash (used in)/from Financing Activities	(C) (9,279.06)	3,859.49
Net Change in Cash and Cash Equivalents	(A+B+C) 8,707.71	2,315.96
Cash and Cash Equivalents at beginning of the year/period	4,765.95	2,449.99
Cash and Cash Equivalents at end of the year/period	13,473.66	4,765.95
Other Bank Balances	28,628.99	56,779.16
Cash and Bank Balances at the end of the year/period (Note No. 20)	42,102.65	61,545.11

As per our report of even date

For **KHANDELWAL JAIN & CO.**
Chartered AccountantsFor **KADAM & CO.**
Chartered AccountantsFor **A. A. GUNE**
Chief Financial Officer

For and on behalf of the Board

For **V. N. DHOOT**
Chairman & Managing Director
DIN 00092450**BHUPENDRA Y. KARKHANIS**
Partner
Membership No. 108336**U. S. KADAM**
Partner
Membership No. 31055**VINOD KUMAR BOHRA**
Company Secretary
Membership No. ACS15255**R. S. AGARWAL**
Director
DIN 00012594Place: Mumbai
Date : 14th May, 2016

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Consolidation:

- a) The Consolidated Financial Statements ("CFS") comprises Videocon Industries Limited ("the Company" or "the Parent Company") and its subsidiary companies, joint ventures and associates, collectively referred to as "the Group".
- b) The financial statements of the subsidiary companies used in the preparation of the CFS are drawn upto the same reporting date and reporting period as that of the Company i.e. 12 months ended 31st December, 2015.
- c) The CFS have been prepared in accordance with GAAP in India to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 as applicable.
- d) Principles of Consolidation:

The CFS have been prepared on the following basis:

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

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

B. Basis of Accounting:

- a) The financial statements are prepared under historical cost convention, except for certain fixed assets which are revalued, using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP), the requirements of the Companies Act, 2013, and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 read with Rule 7(1) of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the applicable statutory requirements of the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (IRDA) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the IRDA regulations') and related circulars, orders and directions issued by the IRDA in this behalf.
- b) Use of Estimates
The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Example of such estimates include provisions for doubtful debts, employee retirement benefits plans, provision for income tax and the useful lives of fixed assets. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.
- c) The accounts of Indian subsidiaries, joint ventures and associates have been prepared in compliance with the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 read with Rule 7(1) of the Companies (Accounts) Rules, 2014, prescribed by the Central Government, the IRDA Regulations and those of the foreign subsidiaries, joint ventures and associates have been prepared in compliance with the local laws and applicable Accounting Standards. Necessary adjustments for differences in the accounting policies, wherever applicable, have been made in the Consolidated Financial Statements.

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

- a) Fixed Assets are stated at cost, except for certain fixed assets which have been stated at revalued amounts, less

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

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

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

D. License/Spectrum Fees:

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

E. Joint Ventures for Oil and Gas Fields:

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

F. Exploration, Development Costs and Producing Properties:

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

G. Abandonment Costs:

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

H. Depreciation and Amortisation:

- a) The Parent Company and Indian Subsidiary Companies provide depreciation on fixed assets held in India on written down value method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013, except a) on fixed assets of Consumer Electronics Division other than Glass Shell Division; b) fixed assets of Telecommunications Division and; c) on office buildings acquired after 1st April, 2000, on which depreciation is provided on straight line method based on useful life of assets as prescribed in the said Schedule. Depreciation on fixed assets held outside India is provided on straight line method based on useful life of the assets as prescribed in the aforesaid Schedule. Producing Properties are depleted using the "Unit of Production Method". The rate of depletion is computed in proportion of oil and gas

production achieved vis-a-vis proved reserves. Leasehold Land is amortised over the period of lease.

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

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

I. Impairment of Assets:

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

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

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

K. Investments:

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

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

L. Inventories:

Inventories including crude oil stocks are valued at cost or net realisable value whichever is lower. Cost of inventories comprises all costs of purchase, conversion and other costs incurred in

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

bringing the inventories to their present location and condition. Cost is determined on Weighted Average Basis.

M. Borrowing Costs:

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

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

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

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

O. Revenue Recognition:

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

b) Sales/turnover includes sales value of goods, services, excise duty, duty drawback and other recoveries such as insurance, transportation and packing charges but excludes sale tax and recovery of financial and discounting charges.

c) Revenue from sale of electrical energy is accounted for on the basis of billing as per the provisions of Power Purchase Agreement.

d) Revenue in respect of Telecommunications Services is recognised as and when the services are provided and are net of rebates, discounts and service tax. Activation charges recovered from subscribers is recognized as income on activation. Revenue on upfront charges for services with lifetime validity and fixed validity period of one year or more are recognised over the estimated useful life of subscribers and specified fixed validity period respectively. The estimated useful life is consistent with estimated churn of the subscribers.

e) Revenue in respect of Insurance Business is recognised as:

i) Premium:

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

ii) Commission on Re-insurance Ceded:

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

iii) Investment Income:

Interest income on investments is recognised on accrual basis. Accretion of discount and amortisation of premium, as the case may be, in respect of fixed income securities is recognised on the basis of 'internal rate of return' over the period of maturity/holding.

f) Insurance, Duty Drawback and other claims are accounted for as and when admitted by the appropriate authorities.

g) Dividend on investments is recognised when the right to receive is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

P. Other Policies in respect of Insurance Business:

a) Reserve for unexpired risk:

Reserve for unexpired risk represents that part of the net premium (i.e., premium, net of reinsurance ceded) in respect of each line of business which is attributable

to, and set aside for, subsequent risks to be borne by the Company under contractual obligations on contract period basis or risk period basis, whichever is appropriate.

b) Re-insurance Ceded:

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

c) Claims incurred:

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

Amounts received/ receivable/ paid/ payable from/ to the coinsurers, under the terms of the coinsurance arrangements, is also recognised together with the recognition of the claim.

d) IBNR and IBNER (claims incurred but not reported and claims incurred but not enough reported):

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

e) Indian Motor Third Party Declined Risk Insurance Pool [DR Pool]:

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

Q. Foreign Currency Transactions:

a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions. Foreign Currency Monetary Assets and Liabilities are translated at the year end rate. The difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of Monetary Items at the end of the period is recognised, as the case may be, as income or expense for the period.

b) Forward contracts other than those entered into to hedge foreign currency risk on unexecuted firm commitments

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

or of highly probable forecast transactions are treated as foreign currency transaction and accounted accordingly. Exchange differences arising on such contracts are recognised in the period in which they arise and the premium paid/received is recognised as expenses/income over the period of the contract. Cash flows arising on account of roll over/cancellation of forward contracts are recognised as income/expenses of the period in line with the movement in the underlying exposure.

- c) All other derivative contracts including forward contract entered into for hedging foreign currency risks on unexecuted firm commitments and highly probable forecast transactions which are not covered by the existing Accounting Standard (AS 11), are recognised in the financial statements at fair value as on the Balance Sheet date. The resultant gains and losses on fair valuation of such contracts are recognised in the Consolidated Statement of Profit and Loss.

R. Government Grant:

Grants are recognised when there is reasonable assurance that the grant will be received and conditions attached to them are complied with. Grants related to depreciable assets are treated as deferred income, which is recognised in the Consolidated Statement of Profit and Loss over the period of useful life of the assets and in the proportions in which depreciation on related assets is charged.

S. Employee Benefits:

- a) Short-Term Employees Benefits:

Short-Term Employees Benefits are recognised as an expense at the undiscounted amount in the Consolidated Statement of Profit and Loss of the period in which the related services are rendered.

- b) Post Employment Benefits:

In India:

- i) Provident Fund - Defined Contribution Plan

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

- ii) Gratuity - Defined Benefit Plan

The Group provides for gratuity to all the eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or termination of employment for an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs on completion of five years of service. Liability in respect of gratuity is determined using the projected unit credit method with actuarial valuations as on the Balance Sheet date and gains/losses are recognised immediately in the Consolidated Statement of Profit and Loss.

- iii) Leave Encashment

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

Outside India:

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

T. Taxation:

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

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

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

V. 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.

W. Accounting for Leases:

Where the Company is lessee:

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

X. 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.

Y. Prior Period Items:

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

Z. Provision, Contingent Liabilities and Contingent Assets:

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

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

Contingent assets are not recognised in the financial statements.

AA. Other Accounting Policies:

These are consistent with the generally accepted accounting principles.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

2. The companies which are included in the consolidation with their respective countries of incorporation and the percentage of ownership interest therein of the Company as on 31st December, 2015, are as under:

Name of the Subsidiary	Country of Incorporation	Percentage of Ownership Interest as at	
		31st Dec., 2015	31st Dec., 2014
Chhattisgarh Power Ventures Private Limited	India	100%	100%
Liberty Videocon General Insurance Company Limited	India	81.91%	81.91%
Middle East Appliances LLC	Sultanate of Oman	100%	100%
Pipavav Energy Private Limited	India	100%	100%
Prosperous Energy Private Limited	India	100%	100%
Videocon Electronics (Shenzhen) Limited (Chinese Name-Weiyoukang Electronic (Shenzhen) Co., Ltd.)	China	100%	100%
Videocon Global Limited	British Virgin Islands	100%	100%
Videocon Oil Ventures Limited	India	100%	100%
Videocon Hydrocarbon Holdings Limited ⁽¹⁾	Cayman Islands	100%	100%
Videocon JPDA 06-103 Limited ⁽²⁾	Cayman Islands	100%	100%
Videocon Indonesia Nunukan Inc. ⁽²⁾	Cayman Islands	100%	100%
Videocon Energy Brazil Limited ⁽²⁾	British Virgin Islands	100%	100%
Videocon Australia WA-388-P Limited ⁽²⁾	Cayman Islands	100%	100%
Videocon Mauritius Energy Limited ⁽²⁾	Mauritius	100%	100%
Videocon International Cooperatie U.A. (w.e.f. 16th February, 2015) ⁽²⁾	The Netherlands	100%	-
Videocon Hydrocarbon Ventures B.V. (w.e.f. 16th February, 2015) ⁽³⁾	The Netherlands	100%	-
Videocon Brazil Ventures B.V. (w.e.f. 16th February, 2015) ⁽³⁾	The Netherlands	100%	-
Videocon Brasil Petroleo Ltda (w.e.f. 5th May, 2015) ⁽⁴⁾	Brazil	100%	-
Videocon International Electronics Limited	India	100%	100%
Jumbo Techno Services Private Limited ⁽⁵⁾	India	100%	100%
Senior Consulting Private Limited ⁽⁵⁾	India	100%	100%
Videocon Telecommunications Limited ⁽⁵⁾	India	93.75%	92.86%
Videocon Easypay Private Limited ⁽⁶⁾ (formerly Datacom Telecommunications Private Limited)	India	93.75%	92.86%
Videocon Energy Limited	India	100%	100%
Proficient Energy Private Limited ⁽⁷⁾	India	100%	100%
Applied Energy Private Limited ⁽⁸⁾	India	100%	100%
Comet Power Private Limited ⁽⁹⁾	India	51%	51%
Indigo Energy Private Limited ⁽¹⁰⁾	India	51%	51%
Percept Energy Private Limited ⁽¹⁰⁾	India	51%	51%

Name of the Joint Venture	Country of Incorporation	Percentage of Ownership Interest as at	
		31st Dec., 2015	31st Dec., 2014
IBV Brasil Petroleo Limitada ⁽¹¹⁾	Brazil	50%	50%
Videocon Infinity Infrastructure Private Limited	India	50%	50%

Name of the Associate	Country of Incorporation	Percentage of Ownership Interest as at	
		31st Dec., 2015	31st Dec., 2014
Radium Appliances Private Limited	India	26%	26%
Unity Power Private Limited ⁽¹²⁾	India	26%	26%

Notes:

- | | |
|---|---|
| ¹ Subsidiary of Videocon Oil Ventures Limited | ⁷ Subsidiary of Videocon Energy Limited |
| ² Subsidiary of Videocon Hydrocarbon Holdings Limited | ⁸ Subsidiary of Proficient Energy Private Limited |
| ³ Subsidiary of Videocon International Cooperatie U.A. | ⁹ Subsidiary of Applied Energy Private Limited |
| ⁴ Subsidiary of Videocon Brazil Ventures B.V. | ¹⁰ Subsidiary of Comet Power Private Limited |
| ⁵ Subsidiary of Videocon International Electronics Limited | ¹¹ Joint Venture of Videocon Energy Brazil Limited |
| ⁶ Subsidiary of Videocon Telecommunications Limited | ¹² Associate of Applied Energy Private Limited |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

(₹ in Million)

3. SHARE CAPITAL

Authorised:

	As at 31st Dec., 2015	As at 31st Dec., 2014
500,000,000 (As at 31st December, 2014 - 500,000,000) Equity Shares of ₹ 10/- each	5,000.00	5,000.00
10,000,000 (As at 31st December, 2014 - 10,000,000) Redeemable Preference Shares of ₹ 100/- each	1,000.00	1,000.00
Total	6,000.00	6,000.00

Issued, Subscribed and Paid-up:

Equity Shares

334,458,875 (As at 31st December, 2014 - 334,458,875) Equity Shares of ₹ 10/- each fully paid-up.	3,344.59	3,344.59
Total	3,344.59	3,344.59

3.1 Reconciliation of the Number of Shares:

	As at 31st December, 2015		As at 31st December, 2014	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
a) Equity Shares of ₹ 10/- each				
Outstanding at the beginning of the year/period	334,458,875	3,344.59	318,771,669	3,187.72
Issued during the year/period*	-	-	15,700,000	157.00
Less: Forfeited during the year/period	-	-	12,794	0.13
Outstanding at the end of the year/period	334,458,875	3,344.59	334,458,875	3,344.59
b) 8% Cumulative Redeemable Preference Shares of ₹ Nil (As at 31st December, 2014 ₹ Nil)				
Outstanding at the beginning of the year/period	-	-	4,523,990	150.74
Redeemed during the year/period	-	-	4,523,990	150.74
Outstanding at the end of the year/period	-	-	-	-
c) 8% Cumulative Redeemable Preference Shares of ₹ Nil (As at 31st December, 2014 ₹ Nil)				
Outstanding at the beginning of the period	-	-	76,870	2.56
Redeemed during the period	-	-	76,870	2.56
Outstanding at the end of the year/period	-	-	-	-

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

3.2 Rights, Preference and Restrictions:

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

3.3 Details of Shareholders holding more than 5% Shares:

Name of Equity Shareholders	As at 31st December, 2015		As at 31st December, 2014	
	No. of Shares	% of Holding	No. of Shares	% of Holding
a) Dome-Bell Electronics India Private Limited	19,741,704	5.90	19,741,049	5.90
b) Shree Dhoot Trading And Agencies Limited	26,604,836	7.95	26,604,836	7.95
c) Videocon Realty and Infrastructures Limited	64,670,518	19.34	63,570,518	19.01
d) Deutsche Bank Trust Company Americas (As depository of Global Deposits Receipts)	39,705,381	11.87	41,201,226	12.32

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

		(₹ in Million)	
		As at 31st Dec., 2015	As at 31st Dec., 2014
4. RESERVES AND SURPLUS			
a) Capital Reserve (including Capital Subsidy)			
	As per last Balance Sheet	11.18	9.74
	Add: On Forfeiture of Equity Shares	-	1.44
		11.18	11.18
b) Capital Redemption Reserve			
	As per last Balance Sheet	997.59	844.29
	Add: Transferred from Surplus in the Statement of Profit and Loss	-	153.30
		997.59	997.59
c) Securities Premium Account			
	As per last Balance Sheet	48,893.80	46,205.41
	Add: Received during the year/period	-	2,694.27
	Less: Reversal of Securities Premium pertaining to shares forfeited	-	2.75
	Less: Share Issue Expenses	-	3.13
		48,893.80	48,893.80
d) Bond/Debenture Redemption Reserve			
	As per last Balance Sheet	5,016.75	2,962.51
	Add/(Less): Transferred from/(to) Surplus in the Statement of Profit and Loss	(3,398.37)	2,054.24
		1,618.38	5,016.75
e) Legal Reserve			
	As per last Balance Sheet	0.32	0.01
	Add: Transferred from Surplus in the Statement of Profit and Loss	-	0.31
		0.32	0.32
f) Foreign Currency Translation Reserve			
	As per last Balance Sheet	4,091.84	2,787.90
	Add: During the year/period	710.14	1,303.94
		4,801.98	4,091.84
g) General Reserve			
	As per last Balance Sheet	16,801.48	16,501.48
	Add: Transferred from Surplus in the Statement of Profit and Loss	-	300.00
		16,801.48	16,801.48
h) Surplus/(Deficit) in the Statement of Profit and Loss			
	As per last Balance Sheet	22,894.88	(25,513.71)
	Add: Profit/(Loss) for the year/period	(21,862.30)	51,196.39
	Add: Transfer from Bond/Debenture Redemption Reserve	3,398.37	-
	Balance available for Appropriations	4,430.95	25,682.68
	Less: Appropriations		
	Transfer to Capital Redemption Reserve	-	153.30
	Transfer to Bond/Debenture Redemption Reserve	-	2,054.24
	Transfer to Legal Reserve	-	0.31
	Transfer to General Reserve	-	300.00
	Proposed Dividend - Equity Shares	-	230.14
	Proposed Dividend - Preference Shares	-	3.16
	Tax on Proposed Dividend	-	46.65
		4,430.95	22,894.88
	Total (a to h)	77,555.68	98,707.84

5. During the year, the Parent Company has received Grant of ₹ 64.40 Million from Ozone Cell, Ministry of Environment & Forests, Government of India for financing the machinery under the Ozone Project. As per the accounting policy followed by the Company, the Grant received for Ozone Project has been treated as "deferred income" to be recognised in the Statement of Profit and Loss over the useful life of the assets under the Ozone Project. Accordingly, an amount of ₹ 2.98 Million (Previous period ₹ Nil) has been allocated to income and credited to other non-operating income, in proportion to the depreciation charged on those assets for the year. The balance deferred income has been carried to Balance Sheet as Grant for Ozone Project.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

(₹ in Million)

	As at 31st December, 2015		As at 31st December, 2014	
	Non-Current	Current	Non-Current	Current
6. LONG-TERM BORROWINGS				
a) Secured				
Term Loans from Banks	299,648.22	99,701.93	334,239.07	38,307.46
Term Loans from Financial Institutions	11,587.36	1,068.72	13,500.59	702.51
Vehicle Loan from Banks	6.62	47.55	51.32	71.89
Loan from Others	0.05	-	0.05	-
Foreign Currency Convertible Bonds	6,473.52	-	-	-
Deferred Payment Liabilities	7,146.20	-	7,146.20	-
(a)	324,861.97	100,818.20	354,937.23	39,081.86
b) Unsecured				
Term Loans from Banks	-	75.00	75.00	100.00
Foreign Currency Convertible Bonds	-	-	-	12,402.72
Loan from Others	26.00	1.50	26.79	7.04
Sales Tax Deferral	-	-	4.16	12.48
(b)	26.00	76.50	105.95	12,522.24
Total (a+b)	324,887.97	100,894.70	355,043.18	51,604.10

6.1 Secured Loans:

a) Term Loans from Banks and Financial Institutions:

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

Loans amounting to ₹ 167,636.26 Million (As at 31st December, 2014 ₹ 169,745.20 Million) are secured by first *pari-passu* charge on all present and future tangible/intangible assets (excluding the Identified Properties) of each of the Borrower, first *pari-passu* charge on the Trust and Retention Accounts of the Borrowers, second *pari-passu* charge on Identified Assets of Videocon Hydrocarbon Holdings Limited's (VHHL) subsidiaries through pledge of entire shareholding of VHHL in these overseas subsidiaries, second charge on pledge of 100% shares of Videocon Oil Ventures Limited and VHHL, second *pari-passu* charge on VHHL's share of cash flows from Identified Assets and second *pari-passu* charge over current assets of each of the Borrowers. The Rupee Term Loans are also secured by first ranking pledge over specified numbers of equity shares of Videocon Industries Limited, Trend Electronics Limited and Value Industries Limited held by the promoters, the personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot, Mr. Rajkumar N. Dhoot and first *pari-passu* charge on 'Videocon' brand (Also refer Note No. 36).

- ii) The Consortium of various banks have sanctioned the Letter of Comfort (LoC)/Stand-by Letters of Credit (SBLC) facility to the Company and its subsidiary Videocon Oil Ventures Limited (VOVL) (collectively referred to as 'Obligors') to secure the foreign currency facility raised / to be raised by Videocon Hydrocarbon Holdings Limited (VHHL), an overseas subsidiary, from its lenders.

Loans amounting to ₹ 190,728.68 Million (As at 31st December, 2014 ₹ 167,872.03 Million) under this LoC/SBLC facility is secured by first ranking pledge of 100% shares of VOVL, VHHL and shares of certain subsidiaries of VHHL, charge over their fixed assets, VHHL's share of cash flows from identified oil & gas assets through escrow of receivables, first ranking / exclusive charge on specified bank accounts for the benefit of the relevant LoC/SBLC provider, exclusive charge on oil & gas facility servicing account of Obligors set-up under the onshore Trust and Retention Accounts, negative lien for shares of other subsidiaries of VHHL viz. Videocon JPDA 06-103 Limited and Videocon Australia WA-388P Limited, first *pari-passu* charge on Videocon brand and personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot and Mr. Rajkumar N. Dhoot.

- iii) Loans amounting to ₹ 461.31 Million (As at 31st December, 2014 ₹ 512.40 Million) is secured by mortgage of immovable assets and first charge on movable assets, cash flows and intangible assets pertaining to the 5.75 MW Multi Crystalline Silicon Photovoltaic Technology Project at Warora.

- iv) Loans amounting to ₹ 17,387.50 Million (As at 31st December, 2014 ₹ 10,750.00 Million) are secured by first *pari-passu* charge on book debts of consumer electronics and home appliances division which are not charged to bankers for securing

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

working capital loans and first *pari-passu* charge on equitable mortgage of specified properties owned by the Company and owned by other 6 entities. The loans are further secured by personal guarantee of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot and corporate guarantee of the entities whose properties have been mortgaged.

- v) Loans amounting to ₹ 1,850.00 Million (As at 31st December, 2014 ₹ 2,250.00 Million) is secured by subservient charge on current assets of the Company, pledge of equity shares of Videocon Industries Limited held by other entities and personal guarantee of Mr. Venugopal N. Dhoot.
- vi) Loans amounting to ₹ 1,500.00 Million (As at 31st December, 2014 ₹ 2,500.00 Million) is secured by subservient charge on current assets of the Company, extension of pledge of equity shares of Videocon Industries Limited mentioned in Note No. (v) above and pledge of equity shares of Videocon d2h Limited held by other entities, mortgage of properties owned by other entities and personal guarantee of Mr. Venugopal N. Dhoot.
- vii) Loans amounting to ₹ 1,500.00 Million (As at 31st December, 2014 ₹ Nil) is secured by mortgage of specified property owned by the Company, negative lien on property owned by other entities and personal guarantee of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.
- viii) Loans amounting to ₹ 30,473.60 Million (As at 31st December, 2014 ₹ 32,449.20 Million) are secured by first *pari-passu* charge on existing and future assets of the Subsidiary Company viz. Videocon Telecommunications Limited (VTL), assignment of all telecom licenses held VTL by way of tripartite agreement to be executed between the Department of Telecommunications, VTL and Lenders and personal guarantee of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.
- ix) Loans amounting to ₹ 468.88 Million (As at 31st December, 2014 ₹ 520.80 Million) is secured by mortgage and first charge on entire immovable properties, both present and future of the Subsidiary Company viz. Comet Power Private Limited, first charge on cash flows, receivables, book debts and revenues, first charge on entire intangible assets, both present and future, first charge by way of hypothecation/ mortgage/ assignment of all the rights, titles, interest, benefits, claims and demands in project documents and power purchase agreement, clearances in letter of credit, guarantee, performance bond, corporate guarantee provided by project documents, first charge on trust and retention account and personal guarantee of Mr. Venugopal N. Dhoot.
- b) Vehicle Loan from Banks are secured by way of hypothecation of Vehicles acquired out of the said loan. The loans are also secured by personal guarantee of Mr. Venugopal N. Dhoot.
- c) The Company has issued 4.30 per cent Foreign Currency Convertible Bonds (Bonds) of US\$ 97,200,000 during the year 2015, due on 31st December, 2020 (Maturity Date). These Bonds have been issued under the exchange offer to the holders of the Bonds of US\$ 194,400,000 due on 16th December, 2015.
 - i) The Bonds are convertible at the option of the bondholders into shares, at any time on and after 9th February, 2016, up to the close of business on 21st December, 2020, at a fixed exchange rate on conversion of ₹ 66.139 per US\$ 1.00 and at initial conversion price of ₹ 134.724 per share. The conversion price will be subject to adjustment for, among other things, subdivision or consolidation of shares, bonus issues, dividends, rights issues, distributions and other dilutive events.
 - ii) All or some only of the bondholder's Bonds are redeemable at the option of the holders on 30th June, 2016 (Put Option Date).
 - iii) The Bonds are secured by way of an exclusive first ranking security interest over 40 percent of the issued equity share capital of Videocon Telecommunications Limited held by the Company and other shareholders, in favour of the Security Trustee; and by an unconditional and irrevocable personal guarantee of Mr. Venugopal N. Dhoot and Mr. Saurabh P. Dhoot.
- d) Loan from Others is secured by certain investments held by the Subsidiary Company viz. Applied Energy Private Limited.
- e) Deferred Payment Liabilities:
Videocon Telecommunications Limited has availed deferred payment option for amount payable to Department of Telecommunications pertaining to Spectrum Fee. The deferred payment liabilities including interest are repayable in 10 equated annual installments commencing from 1st December, 2015. The annual installment is securitized through a financial bank guarantee of an amount of annual installment, which shall be renewed for a further period of one year on payment of each installment.

6.2 Unsecured Loans:

The Company had issued 2,000 Foreign Currency Convertible Bonds of US\$ 100,000 each (Bonds) during the year 2010, due on 16th December, 2015, out of which 1,944 Bonds amounting to US\$ 194,400,000 were outstanding as at 31st December, 2014. The Bonds were redeemed at its principal amount by issue of new Bonds of US\$ 97,200,000 as mentioned in the Note No. 6.1 (c) above and balance in cash.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

(₹ in Million)

6.3 Maturity Profile:

Maturity between 1st January to 31st December of:

	Secured Loans		
	Term Loans from Banks	Term Loans from Financial Institutions	Vehicle Loan from Banks
Financial Year 2017	43,910.56	1,355.81	4.35
Financial Year 2018	75,514.76	1,906.89	1.96
Financial Year 2019	56,334.88	2,986.09	0.21
Financial Year 2020	43,739.49	2,126.29	0.10
Financial Year 2021	41,925.55	2,126.29	-
Financial Year 2022	23,328.86	1,085.03	-
Financial Year 2023	156.29	0.96	-
Financial Year 2024	-	-	-
Financial Year 2025	-	-	-
Financial Year 2026	14,737.83	-	-

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

(₹ in Million)

7. DEFERRED TAX LIABILITY (Net)

	As at 31st Dec., 2015	As at 31st Dec., 2014
a) Deferred Tax Liability		
Related to Depreciation and Amortisation on Fixed Assets	8,368.06	8,133.50
	(a) 8,368.06	8,133.50
b) Deferred Tax Assets		
i) Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961	99.44	181.74
ii) Unabsorbed Losses and Depreciation	1,209.02	783.85
iii) Others	16.00	75.40
	(b) 1,324.46	1,040.99
Net Deferred Tax Liability	(a - b) 7,043.60	7,092.51

8. LONG-TERM PROVISIONS

Provision for Gratuity (Refer Note No. 33B)	215.12	177.87
Provision for Leave Encashment (Refer Note No. 33B)	71.75	64.11
Provision for Abandonment and Site Restoration Costs	1,848.93	1,770.70
Total	2,135.80	2,012.68

9. SHORT-TERM BORROWINGS

Secured

Loans from Banks	10,750.00	13,650.00
Overdraft against Fixed Deposits	20,160.00	6,000.00
Working Capital Loans from Banks	10,312.05	10,913.12
	(a) 41,222.05	30,563.12

Unsecured

Loans from Banks	8,535.00	1,249.93
Loans repayable on demand: From Others	-	14,627.39
	(b) 8,535.00	15,877.32
Total (a+b)	49,757.05	46,440.44

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

9.1 Secured Loans:

- a) Short Term Loans from Banks
 - i) Loans amounting to ₹ 1,500.00 Million (As at 31st December, 2014 ₹ 1,500.00 Million) is secured by first pari-passu charge on book debts of consumer electronics and home appliances division which are not charged to bankers for securing working capital loans. The loan is further secured by personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot and Mr. Rajkumar N. Dhoot.
 - ii) Loans amounting to ₹ 9,250.00 Million (As at 31st December, 2014 ₹ 9,250.00 Million) is secured by exclusive charge over the land situated at Dist. Rewa, Madhya Pradesh owned by the Subsidiary Company viz. Prosperous Energy Private Limited, stake in PT. Gaung Alam Semesta's coal concession in Indonesia owned by other entities and personal guarantee of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.
- b) Overdraft facility amounting to ₹ 20,160.00 Million (As at 31st December, 2014 ₹ 6,000.00 Million) is secured against fixed deposits held by the Company.
- c) Working Capital Loans from Banks are secured by hypothecation of the Company's stock of raw materials, packing materials, stock-in-process, finished goods, stores and spares, book debts of Glass Shell Division and personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot and Mr. Rajkumar N. Dhoot.

9.2 Unsecured Loans:

- a) Unsecured Loans from Banks amounting to ₹ 1,900.00 Million (As at 31st December, 2014 ₹ Nil) is secured by lien marked on fixed deposits of other entities.
- b) Unsecured Loans from Banks amounting to ₹ 6,635.00 Million (As at 31st December, 2014 ₹ Nil) is secured by negative lien on property owned by other entity.

		(₹ in Million)	
		As at 31st Dec., 2015	As at 31st Dec., 2014
10. TRADE PAYABLES			
	Micro, Small and Medium Enterprises	97.62	75.16
	Others	17,924.60	17,271.63
	Total	18,022.22	17,346.79
11. OTHER CURRENT LIABILITIES			
	Current maturities of Long-Term Borrowings (Refer Note No. 6)	100,894.70	51,604.10
	Bank Overdraft as per books	300.86	437.62
	Interest accrued but not due on Borrowings	4,853.22	5,101.26
	Interest accrued and due on Borrowings	954.07	529.70
	Advances from Customers and Unearned Income	705.91	560.73
	Unclaimed Dividend	9.43	10.24
	Creditors for Capital Expenditure	469.00	558.65
	Other Payables	7,549.61	6,201.30
	Total	115,736.80	65,003.60
12. SHORT-TERM PROVISIONS			
	Proposed Dividend - Equity Shares	-	230.14
	Proposed Dividend - Preference Shares	-	3.16
	Provision for Tax on Dividend	-	46.65
	Provision for Warranty and Maintenance Expenses (Refer Note No. 48)	638.25	648.46
	Provision for Incentive Payment	193.48	70.79
	Reserve for Unexpired Risk	1,568.51	1,160.43
	Provision for Gratuity (Refer Note No. 33B)	38.50	36.73
	Provision for Leave Encashment (Refer Note No. 33B)	14.09	11.17
	Total	2,452.83	2,207.53

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

Particulars	Gross Block				Depreciation/ Amortisation/ Impairment				Net Block	
	As at 31st Dec., 2014	Additions	Deductions/ Adjustments	As at 31st Dec., 2015	As at 31st Dec., 2014	For the year	Deductions/ Adjustments	Currency Translation Adjustments	As at 31st Dec., 2015	As at 31st Dec., 2014
i) Tangible Assets										
Freehold Land	888.19	0.88	-	889.07	-	-	-	-	889.07	888.19
Leasehold Land	48.05	-	-	48.05	13.32	0.77	-	-	33.96	34.73
Building	6,812.93	0.97	-	6,821.39	2,789.61	134.77	-	2.67	3,894.34	4,023.32
Leasehold Improvements	840.07	10.69	2.37	848.39	401.85	68.47	1.20	-	379.27	438.22
Plant and Machinery	130,839.32	3,606.75	344.23	134,106.32	65,258.33	8,327.81	113.33	4.49	60,629.02	65,580.99
Furnace	1,576.39	-	45.13	1,531.26	1,560.62	-	44.00	-	1,516.62	15.77
Electrical Installation	175.84	1.22	-	177.06	124.07	25.70	-	-	149.77	51.77
Computers	533.12	41.23	0.68	572.75	443.95	32.62	0.18	(0.46)	475.93	89.17
Furniture and Fixtures	318.31	9.18	-	327.60	224.60	27.38	0.01	0.17	252.14	93.71
Office Equipments	430.57	16.39	0.20	446.76	284.59	90.15	0.05	-	374.69	145.98
Vehicles	1,332.32	17.18	37.74	1,310.67	793.33	145.75	32.22	(1.14)	905.72	538.99
Others	1.88	0.07	0.04	1.45	1.30	0.10	-	(0.32)	1.08	0.58
Total (i)	143,796.99	3,704.56	430.39	147,080.77	71,895.57	8,853.52	190.99	5.41	80,563.51	71,901.42
ii) Intangible Assets										
Computer Software	1,465.55	109.66	-	1,575.05	1,241.50	171.65	-	(0.11)	1,413.04	224.05
License/Spectrum Fees	22,333.77	-	-	22,333.77	2,098.92	1,114.20	-	-	3,213.12	20,234.85
Producing Properties	6,180.57	30.26	-	6,210.83	5,647.08	274.33	-	-	5,921.41	533.49
Total (ii)	29,979.89	139.92	-	30,119.65	8,987.50	1,560.18	-	(0.11)	10,547.57	20,992.39
Total (i+ii)	173,776.88	3,844.48	430.39	177,200.42	80,883.07	10,413.70	190.99	5.30	91,111.08	92,893.81
As at 31st December, 2014	164,331.19	10,810.06	1,342.27	173,776.88	65,787.91	15,366.24	282.68	11.60	80,883.07	80,883.07
Capital Work-in-Progress	109,869.56			117,797.05					117,797.05	110,268.13

Notes:

- i) Plant and Machinery (Gross Block) includes assets capitalised under finance lease of ₹ 806.14 Million (As at 31st December, 2014 ₹ 806.14 Million) and corresponding accumulated depreciation of ₹ 802.20 Million (As at 31st December, 2014 ₹ 758.06 Million).
- ii) Computer Software (Gross Block) includes assets capitalised under finance lease of ₹ 10.00 Million (As at 31st December, 2014 ₹ 10.00 Million) and corresponding accumulated depreciation of ₹ 5.80 Million (As at 31st December, 2014 ₹ 3.83 Million).
- iii) Out of the Depreciation for the year, an amount of ₹ 1.83 Million (Previous period ₹ 1.47 Million) is transferred to "Pre-Operative Expenditure Pending Allocation".

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

		(₹ in Million)				(₹ in Million)	
		As at 31st Dec., 2015	As at 31st Dec., 2014			As at 31st Dec., 2015	As at 31st Dec., 2014
14. PRE-OPERATIVE EXPENDITURE PENDING ALLOCATION				19. TRADE RECEIVABLES (Unsecured)			
Balance as per last Balance Sheet		1,658.67	1,606.12	Outstanding for a period exceeding six months			
Add: Incurred during the year/period		27.62	52.55	Considered Good		721.19	676.73
Total		1,686.29	1,658.67	Considered Doubtful		382.10	357.81
						1,103.29	1,034.54
15. NON-CURRENT INVESTMENTS QUOTED				Less: Provision for Doubtful Debts		382.10	357.81
i) In Equity Shares (Fully paid-up) - Trade		53.39	45.23			721.19	676.73
ii) In Equity Shares (Fully paid-up) - Others		61.50	86.14	Others - Considered Good		29,756.60	29,458.93
				Total		30,477.79	30,135.66
UNQUOTED				20. CASH AND BANK BALANCES			
i) In Equity Shares (Fully Paid-up) - Trade		18,010.64	14,025.78	Cash and Cash Equivalents			
ii) In Equity Shares (Fully Paid-up) - Others		416.64	380.24	Cash on hand		13.71	12.76
iii) In Preference Shares (Fully paid-up)		1,062.68	1,020.38	Cheques/Drafts on hand/in transit		2.18	0.08
iv) In Debentures/Bonds		6,682.08	5,863.94	Balances with Banks			
v) In Other Investments		53.18	51.74	- In Current Accounts		13,370.47	4,038.11
Total		26,340.11	21,473.45	- In Fixed Deposits having maturity of 3 months or less		87.30	715.00
						(a) 13,473.66	4,765.95
16. LONG-TERM LOANS AND ADVANCES				Other Bank Balances			
(Unsecured, considered good)				In Dividend Warrant Accounts		9.43	10.24
Capital Advances		10,667.12	10,391.50	In Earmarked Accounts		522.26	589.60
Security/Other Deposits		897.43	920.33	In Escrow Account		-	11,842.88
Advance Income Tax (Net of Provision)		768.80	760.25	In Fixed Deposits earmarked towards Site Restoration costs		1,125.88	826.99
MAT Credit Entitlement		11.31	7.64	In Fixed Deposits Lien in favour of the Registrar, Supreme Court of India (Refer Note No. 37)		2,574.22	2,574.22
Balance with Central Excise/Customs Department		1,984.78	1,794.72	In Other Fixed Deposits:			
Loans and Advances to Others		27,803.45	33,829.47	a) Maturity 12 months or less:			
Total		42,132.89	47,703.91	- Held as margin money for credit facilities and other commitments		3,027.06	33,797.90
				- Provided as security for overdraft facility of ₹ 20,160.00 Million (As at 31st December, 2014 ₹ 6,000.00 Million)		20,272.39	6,000.00
17. CURRENT INVESTMENTS UNQUOTED - Others				- Others		15.60	116.00
In Units of Mutual Funds		89.14	60.78	b) Maturity more than 12 months:			
In Debentures/Bonds		-	149.95	- Held as margin money for credit facilities and other commitments		1,082.15	1,021.33
In Infrastructure and Social Sector		350.35	199.96			(b) 28,628.99	56,779.16
In Government or Trust Securities		742.65	1,693.92	Total (a+b)		42,102.65	61,545.11
In Certificate of Deposits		246.53	98.36				
Total		1,428.67	2,202.97				
18. INVENTORIES							
(As taken, valued and certified by the Management)							
Raw Materials including Consumables, Stores and Spares		15,048.52	14,625.16				
Materials in Transit and in Bonded Warehouse		2,046.16	2,682.83				
Work-in-Process		1,425.49	1,288.29				
Finished Goods and Stock-in-Trade		4,626.96	4,668.03				
Drilling and Production Materials		415.40	441.55				
Crude Oil		51.92	361.40				
Sim Card		34.61	36.46				
Total		23,649.06	24,103.72				

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	(₹ in Million)		(₹ in Million)	
	As at 31st Dec., 2015	As at 31st Dec., 2014	Year ended 31st Dec., 2015	18 Months ended 31st Dec., 2014
21. SHORT-TERM LOANS AND ADVANCES				
(Unsecured, considered good)				
Balance with Central Excise/Customs Department	866.27	1,677.78		
Deposits	8.22	26.40		
Loans and Advances to Related Parties (Refer Note No. 46)	0.57	0.56		
Loans and Advances to Others	216,487.79	192,482.08		
Total	217,362.85	194,186.82		
22. OTHER CURRENT ASSETS				
Interest Accrued	982.93	542.90		
Insurance Claim Receivable	0.46	1.13		
Other Receivables	558.09	356.47		
Total	1,541.48	900.50		
23. REVENUE FROM OPERATIONS				
Sale of Products/Services	142,296.73	209,219.68		
Income from Other Services	337.19	86.00		
Other Operating Revenue	310.34	647.18		
Total	142,944.26	209,952.86		
23.1 Particulars of Sale of Products/ Services				
Electrical and Electronic items	120,606.03	174,945.84		
Crude Oil and Natural Gas	7,893.77	18,985.90		
Telecommunication Services	10,737.35	12,932.16		
Electrical Energy (Power)	335.46	612.70		
Insurance Business - Premium Earned (Net)	2,724.12	1,743.08		
Total	142,296.73	209,219.68		
24. OTHER INCOME				
Interest Income	1,951.50	1,856.11		
Income from Investments and Securities Division/Profit on Sale of Investments	3,042.38	138,982.43		
Profit on Sale of Fixed Assets	31.41	7.25		
Insurance Claim Received	5.61	34.14		
Other Non-Operating Income	195.88	209.93		
Total	5,226.78	141,089.86		
25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE				
Closing Inventories				
Finished Goods and Stock-in-Trade	4,678.88	5,029.43		
Work-in-Process	1,425.49	1,288.29		
(a)	6,104.37	6,317.72		
Opening Inventories				
Finished Goods and Stock-in-Trade	5,029.43	4,275.92		
Work-in-Process	1,288.29	994.04		
(b)	6,317.72	5,269.96		
(b-a)	213.35	(1,047.76)		
26. PRODUCTION AND EXPLORATION EXPENSE - OIL AND GAS				
Production and Exploration Expenses	1,508.08	25,595.06		
Royalty	180.06	267.98		
Cess	269.65	350.17		
Production Bonus	38.33	50.16		
Government Share in Profit Petroleum	2,957.60	8,265.53		
Insurance Expenses	37.31	46.19		
Total	4,991.03	34,575.09		
27. ACCESS CHARGES, LICENSE FEES AND NETWORK EXPENSES				
Access and Roaming Charges	5,149.15	6,552.98		
License Fees and WPC Charges	563.26	721.31		
Rent	1,697.87	2,521.61		
Leased Line, Port and Bandwidth Charges	1,414.75	1,687.46		
Power and Fuel	797.19	1,215.24		
IT Expenses	17.11	32.77		
Other Value Added Services Charges	40.74	11.33		
Sim Cost	59.80	90.78		
Network Expenses - Others	98.29	166.78		
Site Expenses - Managed Services	55.21	200.11		
Freight and Carriage Expenses	10.50	25.33		
Repairs and Maintenance- Site Buildings	4.15	4.61		
Total	9,908.02	13,230.31		
28. EMPLOYEE BENEFITS EXPENSE				
Salary, Wages and Other Benefits	4,162.67	5,743.18		
Contribution to Provident Fund and Other Funds	198.97	273.16		
Staff Welfare Expenses	159.31	249.40		
Total	4,520.95	6,265.74		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

	(₹ in Million)		(₹ in Million)	
	Year ended 31st Dec., 2015	18 Months ended 31st Dec., 2014	Year ended 31st Dec., 2015	18 Months ended 31st Dec., 2014
29. FINANCE COSTS				
Interest Expenses	30,833.01	48,464.52		
Other Borrowing Costs	777.09	1,005.43		
Applicable Net Loss/(Gain) on Foreign Currency Transactions	300.80	247.73		
Total	31,910.90	49,717.68		
30. OTHER EXPENSES				
Power, Fuel and Water	735.87	1,233.52		
Freight and Forwarding	1,252.06	1,847.89		
Vehicle Running Expenses	357.19	754.18		
Rent, Rates and Taxes	544.75	834.05		
Repairs to Building	23.58	69.52		
Repairs to Plant and Machinery	61.45	93.44		
Other Repairs and Maintenance	175.18	252.36		
Insurance	51.87	104.85		
Advertisement and Publicity	1,851.82	2,582.45		
Sales Promotion Expenses	851.83	878.42		
Discount and Incentive Schemes	5,713.68	7,660.10		
Bank Charges	169.91	253.12		
Payment to Auditors'	28.14	33.33		
Donation	55.59	241.06		
[Includes amount paid to Nationalist Congress Party ₹ 2.50 Million and Shivsena ₹ 36.80 Million (Previous period amount paid to Bharatiya Janata Party ₹ 111.00 Million, Indian National Congress ₹ 5.00 Million, Nationalist Congress Party ₹ 50.00 Million and Telgu Desam Party ₹ 5.00 Million)]				
Directors' Sitting Fees	3.10	3.37		
Legal and Professional Charges	599.35	7,489.48		
Customer Service Cost	103.35	178.57		
Claims and Commission related to Insurance Business	2,673.52	1,783.09		
Claims Paid and Receivables Written -off (Refer Note No. 44)	4,258.63	-		
Royalty	334.86	354.30		
Printing and Stationery	41.14	54.91		
Warranty and Maintenance	986.09	1,360.01		
Provision for Doubtful Debts	24.29	41.56		
Exchange Rate Fluctuation	493.13	2,331.58		
Office and General Expenses	1,429.54	2,074.05		
Total	22,819.92	32,509.21		
31. TAX EXPENSES				
Current Tax	4.32	198.14		
MAT Credit Entitlement	(3.67)	(0.13)		
Deferred Tax	(48.91)	2.64		
Reversal of Deferred Tax Assets recognised by the Subsidiary in previous year	-	11,583.44		
Tax Credit Utilised/(Entitlement) - Foreign Company	-	13,431.77		
(Excess)/Short Provision of Income Tax for earlier years	(0.46)	-		
Total	(48.72)	25,215.86		
32. EARNINGS PER SHARE				
i) Net Profit/(Loss) attributable to Equity Shareholders				
Net Profit/(Loss) for the year/period after tax adjustments for earlier years	(21,862.30)	51,196.39		
Less: Dividend on Preference Shares including Tax on the same	-	3.79		
Net Profit/(Loss) attributable to Equity Shareholders	(21,862.30)	51,192.60		
ii) Weighted Average Number of Equity Shares considered for calculation of Basic EPS	334,458,875	319,054,381		
Weighted Average Number of Equity Shares considered for calculation of Diluted EPS	334,458,875	319,054,381		
(The effect of conversion option of FCCBs is anti dilutive in nature)				
iii) Basic Earnings per Share of ₹ 10/- each (₹)	(65.37)	160.45		
Diluted Earnings per Share of ₹ 10/- each (₹)	(65.37)	160.45		
33. EMPLOYEE BENEFITS: Disclosure pursuant to Accounting Standard (AS) 15 (Revised):				
A) Defined Contribution Plans:				
Amount of ₹ 198.97 Million (Previous period ₹ 273.16 Million) related to contribution to Provident and Other Funds are recognised as an expense and shown under the head "Employee Benefits Expense" (Note No. 28) in the Consolidated Statement of Profit and Loss.				

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

(₹ in Million)

B) Defined Benefit Plans:	Gratuity		Leave Encashment	
	31st Dec., 2015	31st Dec., 2014	31st Dec., 2015	31st Dec., 2014
I) The amounts recognised in the Balance Sheet as at the end of the year/period:				
a) Present value of Defined Benefit Obligation	347.09	299.78	85.84	75.28
b) Fair value of Plan Assets	93.47	85.18	-	-
c) Funded Status - Surplus/(Deficit)	(253.62)	(214.60)	(85.84)	(75.28)
d) Net Assets/(Liability)				
i) Non-Current	(215.12)	(177.87)	(71.75)	(64.11)
ii) Current	(38.50)	(36.73)	(14.09)	(11.17)
II) The amounts recognised in the Statement of Profit and Loss for the year/period:				
a) Current Service Cost	46.74	54.03	15.85	24.92
b) Interest Cost	22.53	32.48	5.74	8.33
c) Actuarial (Gains)/Losses	22.96	(22.93)	20.17	5.83
d) Past Service Cost	0.95	20.02	0.49	7.54
e) Actual return on Plan Assets	7.75	8.78	-	-
f) Total Expenses	84.48	54.80	42.25	46.62
III) The changes in Obligations during the year/ period:				
a) Present value of Defined Benefit Obligation at the beginning of the year/period	299.78	253.24	75.28	67.87
b) Current Service Cost	46.74	54.03	15.85	24.92
c) Interest Cost	22.53	32.48	5.74	8.33
d) Actuarial (Gains)/Losses	22.96	(22.93)	20.17	5.83
e) Past Service Cost	0.95	20.02	0.49	7.54
f) Benefit Payments	45.87	37.06	31.69	39.21
g) Present value of Defined Benefit Obligation at the end of year/the period	347.09	299.78	85.84	75.28
IV) The changes in Plan Assets during the year/ period:				
a) Plan Assets at the beginning of the year/ period	85.18	55.34	-	-
b) Contribution by Employer	21.78	32.09	-	-
c) Actual Benefits paid	21.24	11.03	-	-
d) Plan Assets at the end of the year/period	93.47	85.18	-	-
e) Actual return on Plan Assets	7.75	8.78	-	-
V) Actuarial Assumptions				
a) Discount Rate	-	7.85% to 8.00% per annum		
b) Mortality	-	Indian Assured Lives Mortality (2006-08) Ultimate		
c) Turnover Rate	-	1% to 12%		
d) Future Salary Increase	-	5% to 10% per annum		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

		(₹ in Million)	
		As at 31st Dec., 2015	As at 31st Dec., 2014
34. CONTINGENT LIABILITIES AND COMMITMENTS			
A) Commitments			
	Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	590.94	1,218.80
B) Contingent Liabilities not provided for:			
i)	Letters of Guarantees	43,891.39	42,220.77
ii)	Letters of Credit opened (including Standby Letters of Credit)	966.73	1,026.85
iii)	Claims against the Company not acknowledged as debts		
a)	Customs Duty demands and penalties under dispute [Amount paid under protest ₹ 0.07 Million (As at 31st December, 2014 ₹ 0.07 Million)]	644.18	282.77
b)	Income Tax demands under dispute [Amount paid under protest ₹ Nil (As at 31st December, 2014 ₹ 67.11 Million)]	1,088.98	284.74
c)	Excise Duty and Service Tax demands and penalties under dispute [Amount paid under protest ₹ 61.77 Million (As at 31st December, 2014 ₹ 31.53 Million)]	1,333.74	1,285.14
d)	Sales Tax demands under dispute [Amount paid under protest ₹ 73.53 Million (As at 31st December, 2014 ₹ 70.93 Million)]	1,122.94	1,135.24
e)	Others [Amount paid under protest ₹ 50.00 Million (As at 31st December, 2014 ₹ 50.00 Million)]	9,467.05	9,519.51
f)	Show Cause Notices (SCNs) have been served on the Operator of the Ravva Oil & Gas Field Joint Venture (Ravva JV) for non payment of Service Tax and Educational Cess on various services for the period July 2003 to 31st March, 2014. The amount involved relating to Ravva Block is ₹ 420.13 Million (As at 31st December, 2014 ₹ 419.71 Million). The Operator is contesting the SCNs/demands before Commissioner of Service Tax and has filed appeal before CESTAT, Bangalore and also writ petition before Hon'ble High Court of Madras challenging service tax demands on some of the services and believes that its position is likely to be upheld. The ultimate outcome of the matter cannot be presently determined and no provision for any liability that may result has been made in the accounts as the same is subject to agreement by the members of the Joint Venture. Should it ultimately become payable, the Company's share as per the participating interest would be upto ₹ 105.03 Million (As at 31st December, 2014 ₹ 104.93 Million).		
g)	Disputed Income Tax demand amounting to ₹ 22.29 Million (As at 31st December, 2014 ₹ 22.29 Million) in respect of certain payments made by Ravva Oil & Gas Field Joint Venture is currently pending before the Hon'ble High Court of Madras. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made as the same is subject to agreement by the members of the Joint Venture. Should it ultimately become payable, the Company's share as per the participating interest would be upto ₹ 5.57 Million (As at 31st December, 2014 ₹ 5.57 Million).		
35.	There are certain disputes with the Government of India ("GOI") with respect to the Production Sharing Contract dated 28th October, 1994 ("Ravva PSC") pertaining to Ravva Oil & Gas Field which were referred to more than one international arbitration for resolution. The respective International Arbitral Tribunals have issued their respective Awards from time to time substantially in favour of the Company. However the GOI has preferred to challenge few of the Awards in various Courts in India and overseas but has not succeeded so far in any of the Courts. Pending final resolution of the disputes, certain amounts have been excess recovered, deducted or short paid by the GOI and / or its Nominees which have been challenged by the Company and the Company is seeking recovery of amounts excessively recovered, deducted or short paid by the GOI and/or its Nominees. Based on legal advice, the Company believes its contentions will be upheld. Any further sum required to be paid by the Company or recoverable by the Company in respect of any of these disputes in accordance with the determination of the amount by the Hon'ble Arbitral Tribunal/relevant courts in this regard shall be accounted for on the final outcome in those matters.		
36.	The Parent Company alongwith the subsidiary Videocon International Electronics Limited and 11 other entities (collectively referred to as 'Obligors' or individually as 'Borrower') executed Facility Agreement with the consortium of existing domestic rupee term lenders, under the obligor/co-obligor structure, wherein all the Rupee Term Loans of the Obligors are pooled together. The Borrower entities are Videocon Industries Limited, Value Industries Limited, Trend Electronics Limited, KAIL Limited, Millennium Appliances India Limited, AppliComp (India) Limited, Sky Appliances Limited, Techno Electronics Limited, Century Appliances Limited, PE Electronics Limited, Techno Kart India Limited,		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

Evans Fraser and Co. (India) Limited and Videocon International Electronics Limited (VIEL). As per the said Facility Agreement, the Parent Company is agent of the Obligor and has been referred to as 'Obligor Agent'. The Rupee Term Loans have to be utilised for the purpose mentioned in the Facility Agreement which is mainly for refinancing of existing Rupee Term Loans of the Obligors. Accordingly, the Rupee Term Loans of ₹ 28,149.54 Million have been allocated to respective Obligors based on their outstanding amount as on 31st December, 2011 and the lenders have also disbursed ₹ 2,520.00 Million to some Obligors. As the Parent Company and VIEL are co-obligors, they are contingently liable in respect of the borrowings of other Obligors/Borrowers to the extent of outstanding balance of Rupee Term Loans as on 31st December, 2015 of ₹ 27,346.18 Million (As at 31st December, 2014 ₹ 27,699.55 Million).

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

The Company has challenged the order of Bombay High Court by way of Special Leave Petition ('SLP') in the Supreme Court. The Company has denied its liability out of the said 'Patronage Letter'. The Company, pending the final disposal of SLP, agreed to create lien on Fixed Deposit Receipts of ₹ 1,363.82 Million and ₹ 1,210.40 Million in favour of the Registrar of Supreme Court. The Hon'ble Supreme Court has stayed the impugned order of the Bombay High Court and directed to issue notice for further hearing of the matter. The Hon'ble Supreme Court has also admitted our SLP and now matter will come up for final hearing in due course of time.

Intesa Sanpaolo S.p.A. has also obtained exparte decree against the Company from Turin Court of Italy and on the basis of said decree, Intesa Sanpaolo S.p.A. has filed suit bearing No. 2434/2012 in Bombay High Court for obtaining decree against the Company. The Company has appeared in the matter and contesting the said exparte decree on merit. The Company has been advised by the legal counsel that decree passed by Turin Court is exparte decree and is not on the merits and various substantial question of law and facts are involved in the matter and, hence, the Company has got reasonably good chances of success in the matter. However, final hearing will take place in due course of time and as such no provision has been considered in the financial statements.

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

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

39. Videocon Telecommunications Limited ('VTL'), a subsidiary, had received a notice dated 17th November, 2014 from the Department of Telecommunications ('DoT') (Access Service Division), Ministry of Communications & Information Technology directing it to show cause as to why the reserve price of ₹ 4,766.90 Million and interest on this amount are not to be recovered from VTL as per the direction of Hon'ble Supreme Court of India in I.A. No. 11 of 2012 in Writ Petition (Civil) No. 423 of 2010.

VTL in its response to the said show cause notice has submitted that VTL is not liable to make payment of the reserve price of ₹ 4,766.90 Million and interest on this amount as per the direction of the Hon'ble Supreme Court and that the said show cause notice is not sustainable on facts and in law for the reasons given therein.

40. The DoT had issued demand notices for Liquidated Damages aggregating to ₹ 534.50 Million for 20 out of the 21 circles (all the circles except Delhi) allotted to VTL on account of delay in meeting 10% roll-out obligations as stipulated in the Unified Access Service License (UASL) (since quashed vide judgement dated 2nd February, 2012 of Hon'ble Supreme Court). Against these demand notices, VTL has paid a total sum of ₹ 419.30 Million of which it has charged ₹ 169.50 Million to the Statement of Profit and Loss for the year ended 31st December, 2011 and the remaining amount of ₹ 249.80 Million has been shown under Loans and Advances as the same are disputed and paid 'under protest'.

- a) VTL challenged before the Telecom Dispute Settlement Appellate Tribunal ('TDSAT') the claim of Liquidated Damages in respect of 10 circles (i.e. Andhra Pradesh, Assam, Haryana, Jammu & Kashmir, Karnataka, Kolkata, Madhya Pradesh, North East, Uttar Pradesh – East and West Bengal) seeking interim stay and finally setting aside the demand, inter alia on the ground that (1) there has been a delay in the allocation of start-up spectrum; (2) delay in SACFA clearance should have been calculated on the actual maximum delay and not the average delay; and (3) delay in meeting 10% roll-out obligations was on account of introduction by the DoT of new and onerous conditions in the license agreement (e.g. LI Testing, security clearance of equipment, etc.).

The TDSAT has passed an order and judgment on 13th January, 2012 whereby it has set aside the demands of DoT in respect of 10 circles and directed DoT to give opportunity to the licensee before raising fresh demands for liquidated damages. The Hon'ble TDSAT, vide its said judgment has also directed DoT to refund the amount of ₹ 242.30 Million paid by VTL as liquidated damages in respect of 10 circles along with 12% interest and VTL has been directed to deposit bank guarantees for the amount of liquidated damages originally demanded.

- b) VTL has also challenged before the TDSAT the claim of Liquidated Damages in respect of 7 circles (i.e. Bihar,

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Gujarat, Kerala, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh-West) seeking interim stay and setting aside the demand, inter alia on the ground that (1) there has been a delay in the allocation of start-up spectrum; (2) delay in SACFA clearance should have been calculated on the actual maximum delay and not the average delay; and (3) delay in meeting 10% roll-out obligations was on account of introduction by the DoT of new and onerous conditions in the license agreement (e.g. LI Testing, security clearance of equipment, etc.).

The TDSAT passed an order on 30th April, 2014 whereby the demands of DoT were quashed in respect of 7 circles in line with the TDSAT order dated 13th January, 2012 and directed DoT to give opportunity to the licensee before raising fresh demands for liquidated damages. The Hon'ble TDSAT, vide its said judgement has also directed DoT to refund the amount of ₹ 82.00 Million paid by VTL as liquidated damages in respect of 7 circles along with 12% interest and VTL has been directed to deposit bank guarantees for the amount of liquidated damages originally demanded.

The order of the TDSAT dated 13th January, 2012 has been challenged by the DoT before the Hon'ble Supreme Court and by an order dated 23rd November, 2012, the Hon'ble Supreme Court has admitted the appeal and directed that there will be an interim order staying the interest payable on the principal amount, in terms of the impugned judgment of the TDSAT.

- c) VTL has also received the demand notices dated 21st February, 2014, issued by DoT imposing liquidated damages pertaining to the alleged delay/default in completion of 2nd phase roll out obligation of North East service area amounting to ₹ 70.00 Million. VTL challenged the said demand in TDSAT vide Petition No. 170 of 2014.

The petition was first listed on 26th March, 2014 wherein an ex parte ad interim protection against encashment of bank guarantee was conferred to VTL subject to keeping the bank guarantee to the tune of ₹ 32.60 Million valid during the pendency of the petition and furnishing of an undertaking to pay the unsecured amount on the entire demand raised in the event petition fails.

The final demands payable by VTL, if any, is, therefore, unascertainable.

41. Infrastructure provider companies, VIOM Networks Limited, Tower Vision India Private Limited and ATC Telecom Tower Corporation Private Limited have filed petition in Delhi High Court vide case no. OMP (I) (COMM.) 95, 105 and 107 of 2016, respectively against the VTL for claiming amount towards Infrastructure Provider (IP) and Power and Fuel (P & F) dues and exit charges amounting to ₹ 2,007.25 Million, ₹ 1,217.90 Million and ₹ 13.34 Million, respectively. According to VTL, the IP and P & F dues and exit charges are not payable and are disputed.

VTL has been advised by the legal counsel that the claims are not maintainable and VTL has reasonably good chances of success in the matter. VTL has already provided for the amount payable as per the contract and no further provision is considered necessary.

42. Videocon Telecommunications Limited (VTL), a subsidiary, was granted the license for providing Unified Access Services (UAS) in 21 circles by the Department of Telecommunications,

Government of India (DoT) in 2008 and was also allotted spectrum in 20 circles. The Hon'ble Supreme Court of India, vide its judgment dated 2nd February, 2012, quashed all the UAS licenses granted on or after 10th January, 2008 and the subsequent allocation of spectrum to these licensees, which also included the 21 UAS licenses granted to VTL and the spectrum allotted to it.

Subsequently, VTL participated in the auction conducted by DoT and has been awarded the Unified Licenses (Access Services) for 6 circles with effect from 16th February, 2013, which are valid for a period of 20 years. VTL has also been allotted spectrum in these 6 circles. During the year, VTL has incurred a net loss of ₹ 9,127.83 Million resulting into accumulated losses of ₹ 77,518.09 Million as at 31st December, 2015. VTL has further issued and allotted share capital whereby the net worth has become positive as on 31st December, 2015.

Discontinuing Operations

- a) VTL has been carrying on the GSM (Global System for Mobile Communications) business and has 8.86 Million subscribers (the discontinuing operations). VTL is also carrying on the business operations such as National Long Distance (NLD) and International Long Distance (ILD) business.
- b) VTL has entered into agreement dated 16th March, 2016 with Bharti Airtel Limited for trading the right to use 2 x 5 MHz spectrum allotted to it in these 6 circles at an aggregate consideration of ₹ 44,280.00 Million, in terms of the Guidelines for Trading of Access Spectrum by Access Service Providers dated 12th October, 2015 issued by the WPC Wing of the Department of Telecommunications (DoT) (Spectrum Trading Guidelines). The closing of the transaction is subject to satisfaction of the standard conditions including the conditions stated in the Spectrum Trading Guidelines. Earlier, on 24th November, 2015, VTL had entered into a similar agreement with Idea Cellular Limited in respect of two circles namely Gujarat and Uttar Pradesh (West), which was mutually terminated on 15th March, 2016.
- c) The carrying amounts, as of the balance sheet date, of the total assets being the spectrum fee (intangible asset) to be disposed off is ₹ 19,027.56 Million. VTL has availed deferred payment option for amount payable to DoT pertaining to spectrum fee and the outstanding amount as on 31st December, 2015 together with interest amount to ₹ 8,118.40 Million.
- d) The total revenues, expenses and pre-tax loss in respect of the ordinary activities attributable to the discontinuing operations during the current financial reporting year are ₹ 5,161.85 Million, ₹ 9,069.72 Million and ₹ 3,907.87 Million, respectively. No tax expense or credit has been recognised in relation to this discontinuing operations.
- e) The cash flows attributable to operating, investing, and financing activities of the discontinuing operation during the current year are as under:

Cash flows from operating activities:	₹ (2,801.06) Million
Cash flows from investing activities:	₹ 258.96 Million
Cash flows from financing activities:	₹ 2,542.10 Million

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43. Videocon Hydrocarbon Holdings Limited, the subsidiary's main activity is investing in oil and natural gas exploration assets outside India through its subsidiaries and jointly controlled companies. The exploration and evaluation assets under subsidiaries namely Videocon Indonesia Nunukan Inc., Videocon Australia WA-388-P Limited, Videocon JPDA 06-103 Limited and under the joint venture company IBV Brasil Petroleo Limitada (joint venture interest held by Videocon Energy Brazil Limited), are in the exploration/appraisal stage and they have spent significant amounts on the acquisition, exploration and evaluation costs and have liability on this account. At present they are not generating revenue. The recovery of these costs is subject to success of their exploration efforts at these locations. The conditions indicates existence of significant uncertainty that could lead significant doubt about the continuity of the subsidiary company. The ability of these companies to continue as a going concern is substantially dependent on their ability to raise funds or continuous financial support from Parent Company to meet their operating and capital expenditure requirements.

The management of these companies are confident of mobilizing the necessary resources for continuing the operations of these subsidiaries and the joint venture, with the support from the Parent Company and also in view of the fact that in certain cases of companies/joint venture engaged in exploration and production of oil and natural gas, the operators have reported major discoveries which they intend to develop in an integrated manner to make it optimal and more economical. Accordingly, the financial statements have been prepared by the said subsidiaries and joint venture on a going concern basis.

44. The Subsidiary Company Videocon Mauritius Energy Limited (VMEL) alongwith its holding company Videocon Hydrocarbon Holdings Limited (subsidiary of the Company) had entered into a Share Sale and Purchase Agreement (SSPA) on 25th June, 2013 with ONGC Videsh Limited and OIL India Limited (Buyers) for sale of the entire shareholding in Videocon Mozambique Rovuma 1 Limited (VMRL), which owns 10% participating interest in Oil & Gas Block covering Area 1 Offshore of the Rovuma Block, Republic of Mozambique for a base consideration of US\$ 2,475.00 Million. Closing of the said transaction was consummated on 7th January, 2014 when entire share capital of VMRL was transferred by VMEL to Buyers in accordance with the said SSPA. As per the terms of sale, a sum of USD 185.625 Million was kept in Escrow Account with BNP Paribas Securities Services, (the Escrow Agent) to meet indemnity claim of the Buyers, if any, under SSPA. The Buyers had issued disputed claims notice and subsequently a settlement agreement was executed on 28th December, 2015 wherein an amount of USD 14.55 Million was agreed as payable to Buyers towards their claims out of the Escrow Account. The said amount of USD 14.55 Million (Equivalent to ₹ 927.40 Million) has been accordingly paid to them and the balance amount of the Escrow Account has been received by VMEL. Further, the sum of USD 52.26 Million (Equivalent to ₹ 3,331.23 Million) receivable of VMEL from VMRL has been written off on final settlement with the Buyers.

45. Joint Venture Disclosure:

- A. The Financial Statements reflect the share of the Group in the assets and the liabilities as well as the income and the expenditure of Joint Venture Operations on a line-by-line basis. The Group incorporates its share in the operations of the Joint Venture based on statements of account received from the Operator. The Group has, in terms of Significant Accounting Policy No. 1(E), recognised abandonment costs

based on the technical assessment of current costs as cost of producing properties and has provided Depletion thereon under 'Unit of Production' method as part of Producing Properties in line with the Guidance Note on Accounting of Oil and Gas Producing Activities issued by the Institute of Chartered Accountants of India.

B. Unincorporated Joint Ventures:

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

- b) On 15th November, 2006, the consortium, comprising Videocon JPDA 06-103 Limited ("Videocon JPDA") one of the wholly owned subsidiaries, Oilex (JPDA 06-103) Limited – as Operator, Bharat PetroResources JPDA Limited and GSPC (JPDA) Limited, was allotted the petroleum block JPDA 06-103, under a Production Sharing Contract (PSC) by the Timor Sea Designated Authority. This block is located in the Timor Sea between Australia and Timor-Leste. Videocon JPDA had originally a participating interest of 25% in the PSC. Oilex has farmed-out 15% of its 25% Participating Interest to Japan Energy Corporation. Videocon JPDA has farmed-out 5% of its Participating Interest to Pan Pacific Petroleum of Australia reducing the same to 20%.

After two exploration wells at Lore and Lolotoe were drilled unsuccessfully, the work on the third well at Bazartate was suspended because of a dispute on the Maritime boundary between Governments of Timor Leste and Australia. The Joint Venture (JV) parties have put in a formal request to Government for termination of the PSC without penalty and in good standing. The regulator, Autoridade Nacional Do Petroleo, Temor-Leste (ANP) vide its letter dated 13th May, 2015 has informed the Operator that upon termination, the JV is liable to ANP for estimated costs of exploration not carried out and the damages for breach of its local content obligation aggregating to USD\$ 17.02 Million. The JV contended that the lack of assurance from ANP on security of PSC tenure had constrained it from fulfilling the Work Programme commitments and that it had actually performed excess exploratory work. The ANP has reduced its demand for penalty amount to USD 13.58 Million. Currently negotiations between ANP and JV are underway to determine the quantum of amount payable for an amicable settlement of the PSC termination. The ultimate outcome of the matter cannot be presently determined and no provision for any liability that may result has been made. Should it ultimately become payable, the subsidiary's share as per participating interest would be upto ₹ 180.89 Million.

The carrying value of the exploration and evaluation assets as at 31st December, 2015 amounted to USD 126.32 Million (equivalent to ₹ 8,412.85 Million). In the opinion of the management of the subsidiary, no provision is considered necessary for the aforesaid carrying value of exploration and evaluation assets pending the negotiation with ANP and evaluation of residual assets.

- c) On 4th September 2009, Videocon Indonesia Nunukan Inc. (VIN), one of the wholly owned subsidiaries, has executed a Farmout Agreement with Anadarko Indonesia Nunukan Company – a wholly owned subsidiary Anadarko Petroleum Corporation, USA along with the related Joint Operating Agreement. The transaction was completed on 28th December, 2009

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(the Closing Date). Pursuant to this agreement, VIN has acquired a 12.50% participating interest in the Production Sharing Contract, covering the area referred to as Nunukan Block, located offshore Indonesia, with effect from 1st August, 2009 (the Effective Date). Other members of the consortium are Anadarko Indonesia Nunukan Company, PT Medco E & P Nunukan and BPRL Ventures Indonesia, BV (a step down wholly owned subsidiary of Bharat Petroleum Corporation Limited). Following Anadarko's sale of all the issued share capital in Nunukan Block PSC to PT Pertamina Hulu Energi ("PHENC"), effective 15th February, 2013, PHENC became the new Operator.

Badik-1 exploration well intersected 133 net feet of oil and gas pay, which has been notified as a discovery. 1600 sq. km. 3D seismic data has been acquired in the Block to locate possible well location and identify further leads and prospects for drilling two appraisal wells and one commitment exploration well in the exploration phase. Badik-2 appraisal well was spud on 20th September, 2013 and drilled as a vertical well. The well was plugged and abandoned as a gas/condensate well. Badik-3 was spud on 19th January, 2014 in a water depth of 203 feet and a TD of 10790 feet TVD/ 12131 feet MD. Badik-3 was also drilled as an Exclusive Operation. After drilling and testing of Badik-3 the resource base (2C) was estimated to 104.7 mmbob. To enhance the resource base of Badik, the West Badik exploration well has been drilled, again as an Exclusive Operation. The Operator, vide letter dated 22nd October, 2014 to SKK Migas sought PSC extension for 18 months i.e. upto 11th June, 2016, which has been accepted vide approval letter dated 10th December, 2014 by the Competent Authority, Directorate General of Oil and Gas.

The Nunukan PSC is currently under a grant of additional time period from 11th December, 2014 to 11th June, 2016, to enable preparation of Plan of Development (POD) and submission of the same to regulatory authorities for approval from the Government. Consequent to JV partner PT Medco E&P Nunukan exiting the block, it's 40% participating interest were assigned to remaining partners to which the regulator SKK Migas has conveyed the formal approval on 18th September, 2015, resulting in increase of VIN's participating interest from 12.50% to 23.00%.

During the year various works were undertaken, including the studies related to Static/Dynamic simulation of Badik-West Badik fields, the Reserve certification, the pre-FEED study which would form the basis for the Front End Engineering Design (FEED) work to be taken up subject to POD approval by the Government. The Operator submitted a finalized POD-I document to Regulatory authority SKK Migas on 18th November, 2015 after seeking approval of JV in an OC meeting.

SKK Migas after due diligence forwarded the POD-I, during late December, 2015, with a recommendation to Ministry of Energy Resources of Government of Indonesia. The, Ministry of Energy and Mineral Resources, Government of Indonesia has approved the POD-I during late March, 2016. The Operator is awaiting a formal letter of grant which will be issued by SKK Migas. Work related to Environment Impact Analyses is under progress. Also, Marine survey and Metocean study have been initiated, which forms an

important data requisite for FEED. Tendering for initiating FEED work is under progress. Gas purchase negotiations would be initiated and are expected to be finalized by June, 2016 before a final investment decision is made.

C. Incorporated Jointly Controlled Entities:

a) IBV Brasil Petroleo Limitada (IBV), a company incorporated in Brazil, is 50 : 50 joint venture between Videocon Energy Brazil Limited (VEBL), a wholly owned subsidiary of the Company and Bharat PetroResources Limited, a wholly owned subsidiary of Bharat Petroleum Corporation Limited. IBV has interests in following four concessions with ten deep water offshore exploration blocks in Brazil.

i) Campos Concession: A discovery of hydrocarbons has been made in Wahoo well prospect (BMC-30 Concession) in the Campos Basin. VEBL has 12.50% participating interest in the BM-C30 Campos Concession, where Anadarko is Operator. Located 130 Km. offshore in prolific Campos Basin in the Rio de Janeiro and Espirito Santo States of Brasil, the block covers an area of 716 Sq. Km. in the water depth of 1,400 meters to 1,800 meters. The JV has retained the entire Block, after second phase of exploration ended on 24th November, 2010, for a five year evaluation phase approved by ANP, which expired on 30th September, 2015. Request was made to ANP for extension of Plan of Development at least for three years. Work Programme submitted to ANP includes, (a) Gas disposal solution (successfully negotiated with Petrobras); (b) Unitisation issue with Petrobras for Whale Park; (c) Different G&G works to reduce the uncertainty; and (d) Proposal of Long-Term Testing (LTT) as a firm activity etc. The Board of Executive Officers of the National Petroleum, Natural Gas and Bio-fuels Agency - ANP, vide letter dated 23rd March, 2016, approved the postponement of the Discovery Assessment Plan (PAD) of well 1-APL-1-ESS (Wahoo), C-M-101, BM-C-30, from 30th September, 2015 to 30th November, 2018, in view of the commitment to contingent activity involving a Long-Term Test (LTT).

Discoveries have been announced in the Pre-Salt Upper-Sag Carbonates, of Aptian Age in Wahoo#1 and Wahoo#2 wells. Drilling of Wahoo#3 well was completed on 3rd September, 2010 and was capped and abandoned with scope for re-entry in future. Drilling of appraisal well Wahoo#4, with oil column similar to Wahoo#1, was completed on 11th December, 2012. Detailed analysis of data and cores collected in Wahoo#4 is done. Wahoo#5, with an additional Coquinas prospect, to the North of Wahoo discovery, was drilled by Blackford Dolphin from 17th June, 2013. The well, completed on 2nd October, 2013, while confirming the extension of the pay zone, thicker than prognosed, had oil shows in Coquina section. MDT in pay zone confirmed oil similar to that encountered in Wahoo#1, whereas Coquina section yielded water. After the drilling of Wahoo#5, all of the proposed firm activities in the evaluation plan have been completed. The consortium has further carried out reprocessing of seismic data, incorporating all the data from the wells drilled, core lab studies etc. Presently Velocity modelling studies, Pre-FEED and FEED engineering studies are in progress to study/ screen various development options for the Wahoo field.

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- ii) Sergipe Concession: Sergipe Concession Blocks has 4 Blocks located in the North-Eastern offshore of Brazilian Basin, covers an area of 2,831 Sq.Km. Petrobras is the Operator with 60% and VEBL has a 20% participating interest in the Sergipe Concession. The second period of exploration has been fulfilled for all the four blocks. ANP has approved five appraisal plans in this concession with various timelines extending upto year 2018, which have witnessed significant hydrocarbon discoveries in the Barra, Farfan, Cumbe, Papangu and Poco Verde structures, which are all in different stages of appraisal/ evaluation phases along with neighbouring Joint Venturers in a unitization proposal and the same are heading towards commercialization.

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

The second phase Minimum Work Programme (MWP) well Farfan, in Block SEAL-M-426, was drilled to a total depth of 5,904 meters and about 46 meters of gross oil column in the Campanian section was encountered. An evaluation plan to appraise Farfan discovery has been submitted to ANP for approval. Meanwhile, appraisal well Farfan#1 was drilled which successfully tested the same quality of oil encountered in the discovery well Farfan. Another appraisal well Farfan#3 encountered 5 pay sands with hydrocarbon. DST was successfully completed. Additional appraisal well, Farfan#ADR encountered the main Farfan pay without water contact, and yielded a very good injectivity test.

- ii) Block SEAL-M-349 in Sergipe Concession, Cumbe exploration well was drilled to a final total depth of 6,056 meters which had encountered gas and condensate in Maastrichtian section and oil in 3 sands in Campanian section (gross ~70 meters). Deeper Santonian/Turonian section also had good gas shows. An evaluation plan to appraise Cumbe discovery has been proposed to appraise drilling of Cumbe#2 completed in June, 2015, which encountered gas and condensate at Maastrichtian level, whereas the Campanian sands proved to be water bearing.
- iii) Based on the detailed analysis of the well results of block BM-SEAL-4 where oil and gas has been discovered in Verde, Petrobras as Operator for BM-SEAL-11 and BM-SEAL-4 (Petrobras 75% and ONGC Videsh 25%) proposed a joint appraisal plan for Campanian discovery of the well Verde covering Block SEAL-M-497 and part of block SEAL-M-569 in Sergipe Concession. Petrobras presented an amplitude map of the Campanian pay in these blocks and identified five prospects. Out of these five prospects, two prospects namely Verde South-1 and Verde south-2 lie in SEAL-M-497 and SEAL-M-569 Blocks of BM-SEAL-11 Sergipe Concession.

Petrobras has made a string of oil and gas discoveries in ultra-deep water areas of the Sergipe-Alagoas Basin since 2010. The major discoveries are: a) In 2010 successfully drilled Barra Exploration Well \$ 1-SES-158 in Block SEAL-M-426 and subsequently successfully drilled Appraisal Wells Barra#2 and Barra #3 in Barra Structure in BM-SEAL-11 Concession; b) In 2012 wells 1-SES-168 (Moita Bonita) in BM-SEAL-10 Concession, 3-SES-165 (Barra-1) and 1-SES-167 (Farfan) in Block SEAL-M-426 in BM-SEAL-11 Concession, 1-SES-172 (Muriú) in BM-SEAL-10 Concession, Cumbe Exploration Well (1-SES-166) in Block SEAL-M-349 in BM-SEAL-11 Concession; c) In 2013 discovery in first extension well Farfan 1(3-SES-176D) in Block SEAL-M-426 in BM-SEAL-11 Concession; d) In 2014-15 successful drilled appraisal wells where new pay zone discovered in Farfan#3 and Farfan#ADR well; and e) In 2015 hydrocarbon discovery in Poco Verde in BM-SEAL-4.

Petrobras, the Operator of Concessions BM-SEAL-11, BM-SEAL-10 and BM-SEAL-4, intends to develop all the SEAL discoveries, (Barra, Farfan, Moita Bonita, Muriu and Poco Verde) in an integrated manner to make it optimal and more economical.

- III) Potiguar Concession: Potiguar Concession POT-M-16 comprises of 2 Blocks POT-M-760 and POT-M-663 with total area of 1,535 Sq. Km. is located in the North-eastern region of Brazil and lies partly onshore and offshore over most of the Rio Grande do Norte State was, awarded in 2006 under ANP-7 round, is located close to existing light oil fields and the exploration targets are in Tertiary and Cretaceous age turbidites in Stratigraphic and Strati-Structural traps. Deepwater portion of this basin is virtually unexplored. VEBL has 10% participating interest in the Potiguar Concession. In the first phase of exploration, one pre-existing well (1-CES-154) was drilled in Block POT-M-663. Albo-Cenomanian prospect identified based on detailed interpretation of 3D data.

In March, 2013 BP Energy do Brasil Ltda (BP) farmed-in into Petrobras's participating interest, acquiring 30% participating interest in the BM-POT-16 Concession. Petrobras assigned 50% of its 60% participating interest in BM-POT-16 Concession to BP. Exploration

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

commitment well Ararauna was drilled in Block POT-M-760 on 11th February, 2013 and completed on 10th October, 2013, with discovery of thin oil bearing sands in Albian/Cenomana age. Drilling results integration and interpretation are in progress. JV parties decided to enter into Ararauna appraisal plan, instead of entering into exploration phase-II and subsequently submitted the appraisal proposal to the regulator. ANP has approved Ararauna appraisal plan for a period of four years covering both the blocks. The firm activities as per this appraisal plan consist of G & G studies and drilling of one appraisal well within the first two year period. Presently G & G studies are being carried out to mature some of the prospects identified by the Operator and other consortium members. A Discovery Appraisal Plan (PAD) was approved by ANP to further appraise the Ararauna discovery in Block POT-M-663 on the concession. Additional 3D to delineate the prospects, with the firm well drilling following the interpretation of the new 3D has been proposed to ANP.

In adjacent Concession BM-POT-17 drilling of well 1-BRSA-1205-RNS (Pitu well) has discovered oil with about 188 meters of gross HC column. The HC has been further established in formation test as well. This significant discovery in Alagamar Formation has enhanced the hopes of finding sizeable HC accumulation in POT-16 as well, at leads/prospects like Umbu, Baiao, Xaxado, Coite, Camutim and others being mapped. The leads/prospects are being studied to finalize the, single, committed well location as per the approved PAD plan for Ararauna discovery appraisal.

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

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

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

Group's share in	₹ in Million)	
	31st Dec., 2015	31st Dec., 2014
Assets	49,218.30	42,799.25
Liabilities	47,168.13	41,970.93
Income	-	-
Expenses	-	-

- D. The estimated amount of commitment of the Group towards contribution in various Joint Ventures for next year based on minimum work program is ₹ 42,754.18 Million (As at 31st December, 2014 ₹ 24,295.88 Million).

46. Related Party Disclosures:

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

- a) List of Related Parties where control exists and related parties with whom transactions have taken place and relationship:
- i) Associates:
 - Radium Appliances Private Limited - 26%
 - Unity Power Private Limited - Associate of Applied Energy Private Limited - 26%
 - ii) Key Management Personnel:
 - Mr. Venugopal N. Dhoot - Chairman & Managing Director
 - Mr. Pradipkumar N. Dhoot - Whole-Time Director (Videocon Hydrocarbon Holdings Limited)
 - Mr. Arvind Bali - Chief Executive Officer (Videocon Telecommunications Limited)
 - Mr. Roopam Asthana - Chief Executive Officer (Liberty Videocon General Insurance Company Limited)
 - Mr. Sunil Kumar Jain - Senior Vice President
 - Mr. Sunil Tandon - Senior Vice President
 - Mr. Chandramani M. Singh - Vice President
 - Mr. Abhijit Kotnis - Vice President
 - Mr. Ashutosh A. Gune - Chief Financial Officer
 - Mr. Vinod Kumar Bohra - Company Secretary
 - Mr. Arun Pal - Vice President (upto 7th March, 2015)
 - Mr. Satpal Bansal - Chief Financial Officer (Videocon Telecommunications Limited)
 - Mr. C. A. Nagarkar - Company Secretary (Videocon Telecommunications Limited)

- b) Transactions/outstanding balances with Related Parties:

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

Particulars	₹ in Million)	
	Associates	Key Management Personnel
Nature of Transactions		
Short-Term Advances/Loans given	0.01 (0.02)	
Remuneration		160.07 (194.98)
Outstanding as at 31st December, 2015		
Short-Term Advances/Loans given	0.57 (0.56)	
Investments	61.38 (61.38)	

(Figures in bracket are for the period ended 31st December, 2014)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

Short-Term Advances/Loans Given to Radium Appliances Private Limited ₹ 0.01 Million (Previous period ₹ 0.02 Million).

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

(₹ in Million)

Name of the Company	Effect on Consolidated Profit/(Loss)	Net Assets As at 31st Dec., 2015
Acquisition		
Videocon International Cooperatie U.A., The Netherlands	(2.08)	(9.93)
Videocon Hydrocarbon Ventures B.V., The Netherlands	(0.78)	(2.70)
Videocon Brazil Ventures B.V., The Netherlands	(0.86)	(2.96)
Videocon Brasil Petroleo Ltda, Brazil	(0.002)	0.17

48. As required by Accounting Standard (AS) 29 "Provisions, Contingent Liabilities and Contingent Assets", the disclosure with respect to Provision for Warranty and Maintenance Expenses is as follows:

(₹ in Million)

Particulars	Year ended 31st Dec., 2015	18 Months ended 31st Dec., 2014
a) Amount at the beginning of the period	648.46	653.24
b) Additional provision made during the period	638.25	648.46
c) Amount used	619.07	624.71
d) Unused amount reversed during the period	29.39	28.53
e) Amount at the end of the period	638.25	648.46

49. a) Operating Lease:

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

(₹ in Million)

Minimum Lease Payments	As at 31st Dec., 2015	As at 31st Dec., 2014
Not later than 1 year	82.03	81.20
Later than 1 year and not later than 5 years	177.55	143.99
More than 5 years	170.78	140.02
Total	430.36	365.21

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

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

51. 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

52. Additional Information as required under Schedule - III to the Companies Act, 2013, of enterprises Consolidated as Subsidiary/ Associates/ Joint Ventures

Particulars	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss	
	As % of Total Consolidated Net Assets	₹ in Million	As % of Total Consolidated Profit or Loss	₹ in Million
a) Parent Company:				
Videocon Industries Limited	127.40%	103,067.45	2.55%	(558.05)
b) Foreign Subsidiary Companies:				
Videocon JPDA 06-103 Limited	(0.49%)	(399.70)	0.02%	(4.23)
Videocon Energy Brazil Limited	(1.45%)	(1,169.26)	0.04%	(9.39)
Videocon Indonesia Nunukan Inc.	(0.03%)	(27.51)	0.04%	(7.69)
Videocon Australia WA-388-P Limited	(0.02%)	(18.91)	0.02%	(4.47)
Videocon Mauritius Energy Limited	115.80%	93,680.02	19.13%	(4,182.45)
Videocon Hydrocarbon Holdings Limited	156.31%	126,459.21	1.05%	(229.89)
Videocon International Cooperatie U.A.	(0.01%)	(9.93)	0.01%	(2.09)
Videocon Hydrocarbon Ventures B.V.	(0.00%)	(2.70)	0.00%	(0.79)
Videocon Brazil Ventures B.V.	(0.00%)	(2.96)	0.00%	(0.91)
Videocon Brazil Petroleo Ltda	0.00%	0.17	-	-
Videocon Global Limited	(0.32%)	(262.78)	0.83%	(180.73)
Middle East Appliances LLC	(0.68%)	(548.80)	0.07%	(14.35)
Videocon Electronic (Shenzen) Limited	(0.02%)	(14.74)	0.09%	(19.96)
c) Indian Subsidiary Companies:				
Indigo Energy Private Limited	(0.00%)	(0.26)	0.00%	(0.03)
Percept Energy Private Limited	(0.00%)	(1.58)	0.00%	(0.03)
Comet Power Private Limited	0.24%	196.42	(0.09%)	19.81
Applied Energy Private Limited	(0.00%)	(3.79)	0.00%	(0.00)
Proficient Energy Private Limited	(0.02%)	(17.03)	0.06%	(13.50)
Videocon Energy Limited	1.23%	992.68	0.00%	(0.06)
Prosperous Energy Private Limited	(0.00%)	(0.17)	0.00%	(0.12)
Chhattisgarh Power Ventures Private Limited	(0.00%)	(0.31)	0.00%	(0.23)
Pipavav Energy Private Limited	22.50%	18,201.27	0.00%	(0.08)
Videocon Oil Ventures Limited	1.22%	990.42	7.35%	(1,607.09)
Videocon International Electronics Limited	107.64%	87,078.95	12.00%	(2,624.53)
Jumbo Techno Services Private Limited	2.75%	2,221.87	0.00%	(0.02)
Senior Consulting Private Limited	0.01%	6.84	0.00%	(0.02)
Videocon Telecommunications Limited	3.07%	2,481.91	41.75%	(9,127.83)
Videocon Easypay Private Limited	(0.00%)	(0.09)	(0.00%)	0.01
Liberty Videocon General Insurance Company Ltd.	3.10%	2,505.50	7.57%	(1,654.72)
d) Foreign Joint Venture Company: (as per proportionate consolidation)				
IBV Brasil Petroleo Limitada	2.53%	2,050.12	-	-
e) Indian Joint Venture Company: (as per proportionate consolidation)				
Videocon Infinity Infrastructure Private Limited	(0.00%)	(0.04)	-	-
f) Indian Associates: (Investment as per the equity method)				
Unity Power Private Limited	0.03%	26.34	(0.09%)	20.29
Radium Appliances Private Limited	(0.00%)	(0.02)	0.00%	(0.00)
g) Minority Interest in all Subsidiaries	(0.87%)	(703.58)	(1.14%)	249.54

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

53. Segment Information:

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

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

(₹ in Million)

Particulars	Consumer Electronics and Home Appliances		Crude Oil and Natural Gas		Telecommunications		Power		Others		Total	
	Year ended 31.12.2015	18 Months ended 31.12.2014	Year ended 31.12.2015	18 Months ended 31.12.2014	Year ended 31.12.2015	18 Months ended 31.12.2014	Year ended 31.12.2015	18 Months ended 31.12.2014	Year ended 31.12.2015	18 Months ended 31.12.2014	Year ended 31.12.2015	18 Months ended 31.12.2014
i) Segment Revenue												
- External	120,999.62	175,675.44	7,893.77	18,985.90	10,991.29	12,933.36	335.46	612.70	2,724.12	1,745.46	142,944.26	209,952.86
- Inter Segment	-	-	-	-	-	-	-	-	-	-	-	-
Total Segment	120,999.62	175,675.44	7,893.77	18,985.90	10,991.29	12,933.36	335.46	612.70	2,724.12	1,745.46	142,944.26	209,952.86
ii) Segment Result before Interest	13,129.20	19,296.06	1,565.79	(16,980.98)	(3,504.75)	(7,677.03)	139.89	281.17	(2,141.63)	(2,634.69)	9,188.50	(7,715.47)
Less: Finance Costs	-	-	-	-	-	-	-	-	-	-	31,910.90	49,717.68
Add: Other Unallocable Income/(Expenses)	-	-	-	-	-	-	-	-	-	-	541.56	132,313.69
Profit/(Loss) before Tax	-	-	-	-	-	-	-	-	-	-	(22,180.84)	74,880.54
Add: Share in Profit of Associates	-	-	-	-	-	-	-	-	-	-	20.28	6.05
Add: Profit/(Loss) on Disposal/Dilution of holding in Subsidiaries/Associates	-	-	-	-	-	-	-	-	-	-	-	(8.18)
Tax Expenses	-	-	-	-	-	-	-	-	-	-	(48.72)	25,215.86
Profit/(Loss) before Minority Interest	-	-	-	-	-	-	-	-	-	-	(22,111.84)	49,662.55
Add: Minority Interest	-	-	-	-	-	-	-	-	-	-	249.54	1,533.84
Profit/(Loss) for the year/period	-	-	-	-	-	-	-	-	-	-	(21,862.30)	51,196.39

iii) Other Information:

(₹ in Million)

Particulars	Consumer Electronics and Home Appliances		Crude Oil and Natural Gas		Telecommunications		Power		Others/Unallocable		Total	
	Year ended 31.12.2015	18 Months ended 31.12.2014	Year ended 31.12.2015	18 Months ended 31.12.2014	Year ended 31.12.2015	18 Months ended 31.12.2014	Year ended 31.12.2015	18 Months ended 31.12.2014	Year ended 31.12.2015	18 Months ended 31.12.2014	Year ended 31.12.2015	18 Months ended 31.12.2014
Segment Assets	195,056.04	194,243.68	200,615.09	178,981.71	49,330.57	49,101.72	7,966.25	11,724.26	148,733.59	164,100.91	601,701.54	598,152.28
Segment Liabilities	127,898.45	126,969.85	198,082.03	173,189.47	46,849.24	47,492.58	2,631.67	6,374.62	145,339.88	142,073.33	520,801.27	496,099.85
Capital Expenditure during period	2,647.30	8,845.39	22,725.16	43,912.14	12.21	15.02	(177.71)	91.08	177.76	291.48	25,384.72	53,155.11
Depreciation for the year/period	6,558.64	8,385.15	333.66	1,377.52	3,175.24	5,083.47	139.37	231.16	204.96	287.47	10,411.87	15,364.77

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

d) Secondary Segment Information:

(₹ in Million)

Particulars	Within India		Outside India		Total	
	Year ended 31.12.2015	18 Months ended 31.12.2014	Year ended 31.12.2015	18 Months ended 31.12.2014	Year ended 31.12.2015	18 Months ended 31.12.2014
Segment Revenue - External Turnover	134,911.62	198,223.71	8,032.64	11,729.15	142,944.26	209,952.86
Segment Assets	388,320.59	360,330.98	213,380.95	237,821.30	601,701.54	598,152.28
Segment Liabilities	327,322.85	324,244.75	193,478.42	171,855.10	520,801.27	496,099.85
Capital Expenditure	17,046.61	10,912.94	8,338.11	42,242.17	25,384.72	53,155.11

54. Previous period figures have been reclassified, restated, recasted to conform to the classification of the current year. The figures of the current year are not comparable with those of the previous period as: i) the figures for the current year are for a period of 12 months as against 18 months in previous period; ii) 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 period and include operations of certain subsidiaries for part of the period, consequent to their acquisition as stated in Note No. 2 above.

As per our report of even date

For and on behalf of the Board

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

For **KADAM & CO.**
Chartered Accountants

A. A. GUNE
Chief Financial Officer

V. N. DHOOT
Chairman & Managing Director
DIN 00092450

BHUPENDRA Y. KARKHANIS
Partner
Membership No. 108336

U. S. KADAM
Partner
Membership No. 31055

VINOD KUMAR BOHRA
Company Secretary
Membership No. ACS15255

R. S. AGARWAL
Director
DIN 00012594

Place: Mumbai

Date : 14th May, 2016

ATTENDANCE SLIP

VIDEOCON INDUSTRIES LIMITED

CIN : L99999MH1986PLC103624

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

Tel. No.: +91-2431-251501/2 Fax No.: +91-2431-251551

E-mail id: secretarial@videoconmail.com Website: www.videoconworld.com

26th Annual General Meeting - 27th June, 2016

Regd. Folio No. / Client ID No.

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DP ID No.

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No. of shares held

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I certify that I am a registered Shareholder/Proxy for the registered Shareholder of the Company.

I hereby record my presence at the **26th ANNUAL GENERAL MEETING** of the Company held on Monday, 27th June, 2016 at 11.30 a.m. at the Registered Office of the Company at 14 K. M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, Aurangabad - 431 105 (Maharashtra).

.....
Member's / Proxy's Name in Block Letters

.....
Member's / Proxy's Signature

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

Please read errata for typesetting matter.

PROXY FORM

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

VIDEOCON INDUSTRIES LIMITED

CIN : L99999MH1986PLC103624

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

Tel. No.: +91-2431-251501/2 **Fax No.:** +91-2431-251551

E-mail id: secretarial@videoconmail.com **Website:** www.videoconworld.com

26th Annual General Meeting - 27th June, 2016

Name of the member(s)

Registered address

E-mail

Folio No. / Client ID No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

DP ID No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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

Name : E-mail:.....

Address :

..... Signature:

or failing him/her

Name : E-mail:.....

Address :

..... Signature:

or failing him/her

Name : E-mail:.....

Address :

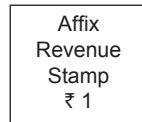
..... Signature:

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on the Monday, 27th day of June, 2016 at 11.30 a.m. at the Registered office at 14 K. M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, Aurangabad - 431 105 (Maharashtra) and at any adjournment thereof in respect of such resolution as are indicated below:

(contd.....)

Resolution Number	Resolution	For	Against
Ordinary Business:			
1.	Adoption of Standalone and Consolidated Audited Statement of Profit and Loss for the financial year ended 31st December, 2015 and the Audited Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.		
2.	Appoint a Director in place of Mr. Venugopal N. Dhoot (DIN: 00092450), who retires by rotation, and being eligible offers himself for re-appointment.		
3.	Ratification of the appointment of Auditors and fixation of their remuneration.		
Special Business:			
4.	Ratification and confirmation of payment of remuneration to Cost Auditor of the Company.		
5.	Approval to increase the Authorized Share Capital of the Company from ₹ 600 Crores to ₹ 1,500 Crores.		
6.	Approval to create, issue, offer and allot equity shares and/or other equity linked or convertible financial instruments ("OFIs") in one or more tranches, whether denominated in Indian Rupee or foreign currency(ies), in the course of international and/or domestic offering(s) in one or more foreign market(s), for an amount not exceeding Rs. 5,000 Crores (Rupees Five Thousand Crores Only), or its equivalent in foreign currency.		
7.	Appointment of Mr. Subhash Dayama (DIN: 00217692), as an Independent Director.		
8.	Taking on record the appointment of Mr. Bhopinder Jagdish Mittar Chopra (DIN: 00329550) as an Independent Director appointed in casual vacancy.		

Signed this _____ day of _____ 2016.



Signature of the Shareholder

Signature of the Proxy holder(s)

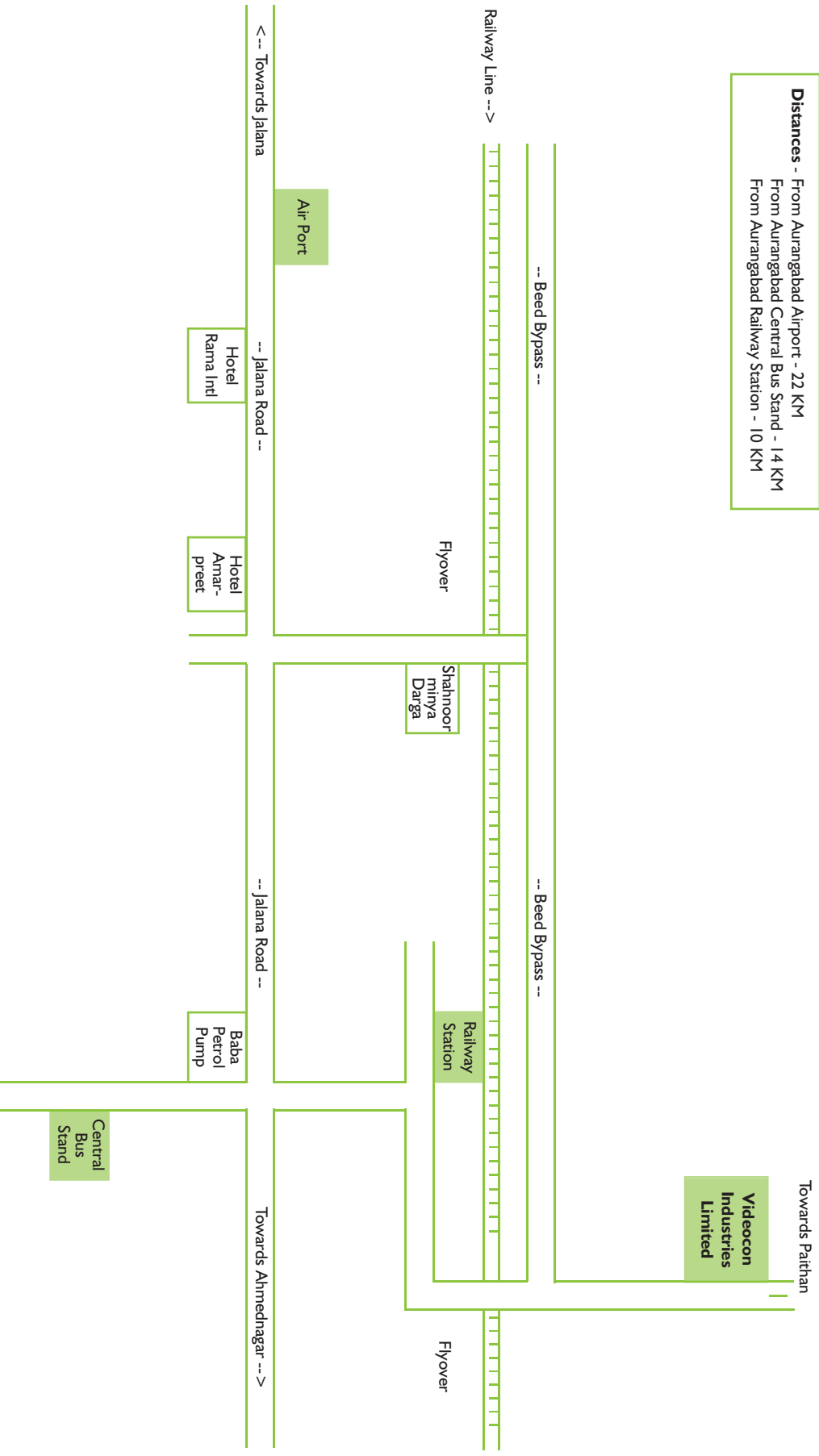
Notes:

This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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

ROUTE MAP FOR THE VENUE OF THE ANNUAL GENERAL MEETING

Distances - From Aurangabad Airport - 22 KM
From Aurangabad Central Bus Stand - 14 KM
From Aurangabad Railway Station - 10 KM



If undelivered, please return to:

MCS Share Transfer Agent Limited

Unit: Videocon Industries Limited

002, Ground Floor, Kashiram Jamnadas Building
5, P D'mello Road, Masjid (East), Mumbai-400 009



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