



**VIDEOCON**

**VIDEOCON INDUSTRIES LIMITED**

**ANNUAL REPORT 2016-17**

## BOARD OF DIRECTORS

Venugopal N. Dhoot	Chairman, Managing Director & Chief Executive Officer
Radheyshyam Agarwal	Independent Director
Subhash Dayama	Independent Director
Sarita Surve	Independent Director
Sanjiv Kumar Sachdev	Nominee – IDBI Bank Limited

## AUDITORS

### **KHANDELWAL JAIN & CO.**

Chartered Accountants

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

### **KADAM & CO.**

Chartered Accountants

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

## COMPANY SECRETARY

Mandar C. Joshi

## REGISTERED OFFICE

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

## MANUFACTURING FACILITIES

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

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

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

## BANKERS

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

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## NOTICE

**NOTICE** is hereby given that the Twenty-Seventh Annual General Meeting of the Members of **VIDEOCON INDUSTRIES LIMITED** (the "Company") will be held on Friday, 22<sup>nd</sup> December, 2017, 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 11.00 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 financial period ended 31<sup>st</sup> March, 2017 and the Balance Sheet as at that date together with Cash Flow Statement, 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 appoint Statutory Auditors of the Company and to fix their remuneration and in this regard to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 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) and on the recommendation of the Audit Committee of the Board of Directors, M/s. S. Z. Deshmukh & Co., Chartered Accountants, Mumbai (Firm Registration No. 102380W) be and is hereby appointed as Auditors of the Company, in place of the retiring auditors, M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai (Firm Registration No. 105049W) and M/s. Kadam & Co., Chartered Accountants, Ahmednagar (Firm Registration No. 104524W), to hold office from the conclusion of this Annual General Meeting i.e. the 27<sup>th</sup> Annual General Meeting until the conclusion of the 32<sup>nd</sup> Annual General Meeting, subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting, on such remuneration as shall be fixed by the Board of Directors of the Company.

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

### SPECIAL BUSINESS

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), as amended from time to time, the Company hereby ratifies the remuneration of ₹ 1,10,000/- (Rupees One Lakh Ten Thousand Only) excluding applicable tax, travelling and other out-of-pocket expenses payable to Mr. Jayant B. Galande (Membership No. 5255), Cost Accountant in Whole-Time Practice, Aurangabad, who is appointed as the Cost Auditor of the Company by the Board of Directors, for conducting the audit of the cost records of the Company for the financial year commencing on 1<sup>st</sup> April, 2017.

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

5. 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 27<sup>th</sup> June, 2016 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 ₹ 2,000 Crores (Rupees Two 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."

6. To appoint Mrs. Sarita Surve (DIN: 07728829) 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, if any, read with Schedule IV of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Mrs. Sarita Surve (DIN: 07728829), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors of the Company at their meeting held on

11<sup>th</sup> February, 2017 and who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member under Section 160 of the Act, signifying its intention to propose the candidature of Mrs. Sarita Surve for the office of Director of the Company, be and is hereby confirmed / appointed as an Independent Director to hold office for a term of five consecutive years from the date of Annual General Meeting (i.e. 22<sup>nd</sup> December, 2017), not liable to retire by rotation."

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

**VENUGOPAL N. DHOOT  
MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER  
DIN: 00092450**

**Place:** Mumbai  
**Date:** 24<sup>th</sup> November, 2017

**Registered Office:**

14 K. M. Stone, Aurangabad- Paithan Road,  
Village: Chittegaon, Taluka: Paithan,  
Dist.: Aurangabad - 431 105 (Maharashtra).  
CIN: L99999MH1986PLC103624  
E-mail Id: secretarial@videoconmail.com  
Website: www.videoconworld.com  
Tel. No.: +91 2431 251501/2  
Fax No.: +91 2431 251551

**NOTES**

- IN TERMS OF THE PROVISIONS OF SECTION 105 OF THE COMPANIES ACT, 2013, READ WITH RULE 19 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON CAN BE A PROXY FOR MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. PROVIDED THAT A MEMBER HOLDING MORE THAN TEN PERCENT, OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. A PROXY FORM FOR THE MEETING IS ENCLOSED.**
- 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.
- Copies of the Notice of 27<sup>th</sup> 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 18<sup>th</sup> November, 2017 and as regards shares held in the electronic form, to those beneficial owners of the shares as at the close of business hours on 17<sup>th</sup> November, 2017 as per the particulars of beneficial owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Upon request, printed copy of Annual Report will be supplied to those shareholders to whom Annual Report has been sent through Electronic Mode.

4. Details under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2, 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. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the remote e-voting facility as an alternate to all its Members to enable them to cast their vote electronically instead of casting the vote at the Meeting. Please note that the Voting through Electronic Mode is optional. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the shareholders to cast their votes electronically. The Company is also providing facility for voting by Ballot at the Annual General Meeting apart from providing remote e-voting facility for all those members who are present at the general meeting but have not casted their votes by availing the remote e-voting facility.
8. In case of joint holders attending the Meeting, and who have not exercised their right to vote by remote e-voting facility, only such joint holder who is higher in the order of names shall be entitled to vote.
9. The remote e-voting facility shall be opened from Tuesday, 19<sup>th</sup> December, 2017 at 9.00 a.m. to Thursday, 21<sup>st</sup> December, 2017 upto 5.00 p.m., (both days inclusive). Detailed instructions of Voting through Electronic Mode, forms part of this Notice. The remote e-voting facility shall not be allowed beyond 5.00 p.m. on Thursday, 21<sup>st</sup> December, 2017. During the period when facility for remote e-voting is provided, the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/entitlement date, may opt for remote e-voting. Provided that once the vote on a resolution is casted by the member, he shall not be allowed to change it subsequently or cast the vote again.
10. The Notice of the Meeting is being placed on the website of the Company viz., [www.videoconworld.com](http://www.videoconworld.com) and on the website of CDSL viz., [www.cdslindia.com](http://www.cdslindia.com).
11. Mrs. Gayathri R. Girish, Company Secretary in Whole Time Practice (CP No. 9255) or failing her Mrs. Anagha Ketkar, Company Secretary in Whole-Time Practice (CP No. 18234), has been appointed as a Scrutinizer for conducting the voting by Ballot at the Meeting and remote e-voting process in a fair and transparent manner.
12. The Scrutinizer shall, immediately after the conclusion of 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](http://www.videoconworld.com) and on the website of CDSL at [www.cdslindia.com](http://www.cdslindia.com), immediately after the results are declared by the Chairman.
13. The Company has fixed Friday, 15<sup>th</sup> December, 2017 as the cut-off date/entitlement date for identifying the Shareholders for determining the eligibility to vote by electronic means or in the Meeting by Ballot. Instructions for exercising voting rights by remote e-voting are attached herewith and forms part of this Notice. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off/entitlement date only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting.
14. Any person who becomes a member of the Company after the date of this Notice of the Meeting and holding shares as on the cut-off date i.e. Friday, 15<sup>th</sup> December, 2017 may obtain the User ID and Password by sending an email request to [secretarial@videoconmail.com](mailto:secretarial@videoconmail.com). Members may also call on +91 22 6611 3500 or send a request to the Company Secretary, by writing to him at Videocon Industries Limited at 171-C, 17<sup>th</sup> Floor, C Wing, Mittal Court, Nariman Point, Mumbai - 400 021.
15. The Voting Rights will be reckoned on the paid-up value of shares registered in the name of shareholders on Friday, 15<sup>th</sup> December, 2017, the cut-off date/entitlement date for identifying the Shareholders for determining the eligibility to vote by electronic means or at the Meeting by Ballot.
16. The Register of Members and Share Transfer Books shall remain closed from Friday, 15<sup>th</sup> December, 2017 to Friday, 22<sup>nd</sup> December, 2017 (both days inclusive) for the purpose of the Meeting.
17. The Company has transferred the unclaimed dividend for the financial year 2008-2009 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 Share Transfer Agent, 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 27<sup>th</sup> June, 2016 (the date of previous Annual General Meeting) are available on the Company's website [www.videoconworld.com](http://www.videoconworld.com) and on the website of Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in).
18. 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.
19. 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.
20. Non-Resident Indian Members are requested to inform M/s. MCS Share Transfer Agent Limited, the Registrar and Share Transfer Agent of the Company, immediately of change in their residential status on return to India for permanent settlement together with the particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with Pin Code Number, if not furnished earlier.
21. 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.



22. 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.
23. 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.
24. The Annual Report of the Company will be made available on the Company's website at [www.videoconworld.com](http://www.videoconworld.com).
25. As on 31<sup>st</sup> March, 2017, 103,759 Equity Shares held by 24,039 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 dematerialised 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 & Share Transfer Agents 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 from, the Company shall arrange to credit the shares lying in the Unclaimed Suspense Account to demat account of concerned shareholder or deliver the share certificate(s) after re-materialisation. The voting rights on such shares shall remain frozen till the rightful owner claims the shares.
26. 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](http://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 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.

### REMOTE E-VOTING INSTRUCTIONS

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Tuesday, 19<sup>th</sup> December, 2017 at 9:00 am and ends on Thursday, 21<sup>st</sup> December, 2017 at 5.00 p.m.. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, 15<sup>th</sup> December, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://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	
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	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"> <li>• 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).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for 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 changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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., 15<sup>th</sup> December, 2017 may obtain the Login ID and Password from Mr. Mandar Joshi, Company Secretary of the Company, who is responsible to address the grievances connected with facility for voting by electronic means. In case you have any grievances connected with facility for voting by electronic means you may contact the Company Secretary by sending an e-mail to [secretarial@videoconmail.com](mailto:secretarial@videoconmail.com). Members may also call on +91 22 6611 3500 or send a request to the Company Secretary, by writing to him at Videocon Industries Limited at 171-C, 17<sup>th</sup> Floor, C Wing, Mittal Court, Nariman Point, Mumbai - 400 021.

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

**VENUGOPAL N. DHOOT  
MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER  
DIN: 00092450**

**Place:** Mumbai

**Date:** 24<sup>th</sup> November, 2017

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

### Item No. 4

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of Mr. Jayant B. Galande (Membership No. 5255), Cost Accountant in Whole-Time Practice, Aurangabad, as Cost Auditor of the Company to conduct the audit of the cost accounting records of the Company for the financial year commencing from 1<sup>st</sup> April, 2017 at a remuneration of ₹ 1,10,000/- (Rupees One Lakh Ten Thousand Only) excluding applicable tax and other Taxes, travelling and other out of pocket expenses at actual.

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

Accordingly, consent of the members is sought by passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year commencing from 1<sup>st</sup> April, 2017.

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

### Item No. 5

The Members of the Company vide resolution passed at the Annual General Meeting of the Company held on 27<sup>th</sup> June, 2016 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 was 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, to issue, offer and allot equity shares and/or other equity linked financial instrument, in one or more tranches, for an amount not exceeding ₹ 2,000 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, 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. 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. 5 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. 6**

The Board of Directors of the Company, on the recommendation of the Nomination & Remuneration Committee appointed Mrs. Sarita Surve (DIN: 07728829) as an Additional Director (Independent) of the Company at the meeting of the Board of Directors of the Company held on 11<sup>th</sup> February, 2017. She holds the office of Director upto the date of ensuing Annual General Meeting.

The Board of Directors of the Company thought it fit to appoint Mrs. Sarita Surve as an Independent Director of the Company in terms of Section 149 and other applicable provisions of the Companies Act, 2013. Therefore, on the recommendation of the Nomination & Remuneration Committee, the Board proposes appointment of Mrs. Sarita Surve as an Independent Director for a term of five consecutive years, not liable to retire by rotation.

The Company has received from Mrs. Sarita Surve (1) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualifications of Directors) Rules, 2014, (2) intimation in Form DIR-8 in terms of Companies (Appointment & Qualifications of Directors) Rules, 2014, to the effect that she is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013 and (3) a declaration to the effect that she 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 Mrs. Sarita Surve for the office of Director of the Company.

The resolution seeks the approval of the Members of the Company for appointment of Mrs. Sarita Surve as an Independent Director of the Company for five consecutive years from the date of Annual General Meeting (i.e. 22<sup>nd</sup> December, 2017) pursuant to the provisions of Section 149 and such other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. She is not liable to retire by rotation.

A brief profile of Mrs. Sarita Surve, nature of expertise in specific functional area, name of other public companies in which she holds directorship and membership/chairmanship of the committees of the Board of Directors and particulars of shareholding in the Company, is appended to the Notice.

In the opinion of the Board of Directors, Mrs. Sarita Surve fulfils the conditions specified under Section 149 of the Companies Act, 2013 and rules made thereunder and she is independent of the Management.

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

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mrs. Sarita Surve as an Independent Director.

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

No Director, Key Managerial Personnel or their relatives, except Mrs. Sarita Surve, to whom the resolution relates, is interested or concerned in the resolution.

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

**VENUGOPAL N. DHOOT  
MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER  
DIN: 00092450**

**Place:** Mumbai  
**Date:** 24<sup>th</sup> November, 2017



**BRIEF PROFILE OF THE DIRECTORS SEEKING APPOINTMENT/RE- APPOINTMENT/ CONFIRMATION AT THE ENSUING ANNUAL GENERAL MEETING [PURSUANT TO REGULATION 36(3) OF SECURITIES AND EXCHANGE BOARD OF INDUS (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2) ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA]:**

PARTICULARS	PROFILE OF DIRECTORS	
Name of the Director	Mr. Venugopal N. Dhoot	Mrs. Sarita Surve
DIN	00092450	07728829
Date of Birth	30 <sup>th</sup> September, 1951	28 <sup>th</sup> September, 1978
Age (in years)	66	39
Education Qualification	Bachelor of Engineering	Bachelor of Arts
Date of Appointment	1 <sup>st</sup> June, 2005	11 <sup>th</sup> February, 2017
Category of the Director	Promoter-Executive	Independent-Non Executive
Area of expertise/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.	She has a vast experience in diversified fields like Management and Administration etc.
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.  Mr. Venugopal N. Dhoot is also designated, in addition to the Managing Director of the Company, as the Chief Executive Officer of the Company.	As per the terms and conditions stated in the Appointment Letter.  She is not entitled for any remuneration and she will be paid sitting fees only.
Remuneration last drawn	Nil	Nil
Number of Board Meetings attended during the period	6	Nil
Names of other Directorships in Public Limited Companies in which the Director holds Directorship	1. Videocon Energy Limited 2. Senior Consulting Private Limited	Nil
Names of the other Committees in which Chairman*	Nil	Nil
Names of the other Committees in which Member*	1. Videocon Energy Limited (Audit) 2. Senior Consulting Private Limited (Audit)	Nil
Number of Shares held	89,575	Nil
Relationship with other Directors, Manager and Key Managerial Personnel of the Company.	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-Seventh Annual Report together with the Audited Accounts and Auditors' Report for the financial period ended on 31<sup>st</sup> March, 2017.

### PERFORMANCE REVIEW

The performance of the Company, on standalone basis, for the 15 months period ended on 31<sup>st</sup> March, 2017 is summarized below:

(₹ in Million)

Particulars	15 months Period Ended 31 <sup>st</sup> March, 2017	12 months Period Ended 31 <sup>st</sup> December, 2015
Net Revenue from Operations	123,294.01	124,182.13
Other Income	4,991.99	8,443.33
Total Income	128,286.00	132,625.46
Profit Before Finance Costs, Depreciation and Tax	15,760.75	30,094.69
Finance Costs	30,977.34	23,684.59
Depreciation and Amortization	7,315.23	7,017.14
Profit/(Loss) Before Tax	(22,531.82)	(607.04)
Tax Expense	(3,375.07)	(48.99)
Profit/(Loss) for the Period	(19,156.75)	(558.05)

The previous financial year was for 12 months commencing from 1<sup>st</sup> January, 2015 to 31<sup>st</sup> December, 2015 and the financial period under review is of 15 months commencing from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> March, 2017. Hence, the figures are not comparable.

In order to comply with the requirements of Section 2(41) of the Companies Act, 2013 and Rules made thereunder, the Board of Directors of the Company have accorded their approval for extending the financial year by a period of 3 (Three) months so as to end on 31<sup>st</sup> March, 2017. The subsequent financial year shall be a period of 12 months from 1<sup>st</sup> April to 31<sup>st</sup> March every year.

### OPERATIONS

#### CONSUMER ELECTRONICS & HOME APPLIANCES

The period under review was marked by various challenges in both internal and external environment. The performance of the Company was impacted by demonetisation and transitional phase of GST introduction.

#### OIL & GAS

The Company continues to explore more and more opportunities in Oil and Gas sector. During the period under review, a deep turbulence in Oil and Gas prices due to a supply over hanged on account of vastly increased production of oil by United States of America from its Shale oil basins was alluded to. The prices of oil have come down significantly. In November 2016, OPEC reached a deal to curtail oil production for the first time since 2008. This helped oil prices to rise above the psychological mark of USD 50/bbl.

#### TELECOM

During the period under review, Videocon Telecommunications Limited (VTL), a subsidiary of the Company, concluded transfer of 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) to Bharti Airtel Limited.

VTL continues to offer National Long Distance (NLD) services and International Long Distance (ILD) traffic on its own NLD networking across India.

#### 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 16<sup>th</sup> 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 56.53% stake in the joint venture and the remaining equity is owned by Liberty Mutual Insurance Group.

LVGICL commenced its business in 2013 and product profile includes Property, Engineering, Liability, Marine, Employee Benefits, Motor and Health Insurances.

#### POWER

The solar power project viz., 5.5 MW solar PV power project in Gujarat, which has been commissioned by the Company through its associate, Unity Power Private Limited is operating at full capacity and is generating electricity.

During the period under review, the Company has sold/exited 5.75 MW solar PV power project in Village: Betwasiya, District: Jodhpur, Rajasthan, through its step down subsidiary; and 5.75MW solar Photovoltaic Power Project situated at Village: Majra, District: Warora, Maharashtra.

#### CHANGE IN THE NATURE OF BUSINESS

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

#### DIVIDEND

In view of the loss incurred by the Company, the Board of Directors do not recommend any dividend for the financial period ended 31<sup>st</sup> March, 2017.

#### 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 ₹ 2.02 Million in respect of unpaid /unclaimed dividend for the Financial Year 2008-09 to the Investor Education and Protection Fund.

#### ISSUES/ALLOTMENT

During the period under review, out of the Foreign Currency Convertible Bonds (Bonds) amounting to US\$ 97.20 Million due on 31<sup>st</sup> December, 2020, the Company has pre-paid an amount of US\$ 22 Million, on pro rata basis to all the Bondholders. As such, as on the end of financial period the FCCBs amounting to US\$ 75.20 Million were outstanding.

#### DEPOSITS

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

#### MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY, OCCURED 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 period 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of 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 period under review, Comet Power Private Limited, ceased to be the Subsidiary of the Company. Consequently, Indigo Energy Private Limited and Percept Energy Private Limited also ceased to be subsidiaries (step-down subsidiaries) of the Company. Further, Videocon Telecom Towers Private Limited became the step-down Subsidiary of the Company on 31<sup>st</sup> March, 2016 and ceased to be the step-down Subsidiary w.e.f. 22<sup>nd</sup> March, 2017.

As on 31st March, 2017, your Company had 26 subsidiaries (including step down subsidiaries) viz., Applied Energy Private Limited, Chhattisgarh Power Ventures Private Limited, Electroworld Digital Solutions Limited (Formerly: Videocon International Electronics Limited), Jumbo Techno Services Private Limited, Liberty Videocon General Insurance Company Limited, Middle East Appliances LLC, 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 Cöoperatie U.A., Videocon JPDA 06-103 Limited, Videocon Mauritius Energy Limited, Videocon Oil Ventures Limited and 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.

As per the provisions of the Companies Act, 2013, your Company has provided the Consolidated Financial Statements as on 31st March, 2017. 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 does not contain full financial statements of the subsidiary companies and the same are displayed on the Company's website viz. [www.videoconworld.com](http://www.videoconworld.com). Your Company shall make available the audited annual accounts and related information of the subsidiary companies, upon request by any Member of the Company.

#### **COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION (SECTION 178)**

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 directors. 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, as amended from time to time, the Board's Report include a statement showing the names of top ten employees and every employee who was in receipt of remuneration in excess of the limits prescribed under the said rules. The information as per Rule 5(1) & Rule 5(2), forms part of this report. However, as per proviso to section 136(1) of the Act, the Report and Financial Statements are being sent to the Members of the Company excluding the statement

of particulars under Rule 5(1) & Rule 5(2) of the said rules. Any member interested in obtaining the said statement may write to the Company Secretary at the Registered Office of the Company.

#### **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 result 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 savings techniques. At the same time, many are under strain to comply with the latest environmental legislation and wish to reduce their carbon footprint. Every organization try 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:

- Installation of 1MW Roof Top Solar plant and distribution through Net Metering Banking System to ensure Green Energy generation.
- Daily monitoring of Power factor and corrections immediately thereafter to ensure Unity Power factor throughout the month.
- Continuous monitoring and review of Contract demands of Electricity and optimization wherever possible.
- Increase productivity of manufacturing unit to minimize KWH/Product.
- Structured patrolling in campus to educate people on Energy conservation and reduce misuse of Electricity.
- Replacement of old Conventional luminaries by highly efficient 18 watt LED tube lights in all shop floors and workstations.
- Use of energy saving lighting arrangement on roads and inside the manufacturing facilities by using 60 watt LED Street light 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 by using Variable Frequency Drives.
- 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.

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

During the period under review, your Company has won Prestigious State level Award on Energy Conservation and Effective Management for the year 2016 from Maharashtra Energy Development Agency (MEDA).

#### **RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION**

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, process 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:**

1. In the previous financial year, Videocon has introduced "Liquid Luminous Technology" which greatly enhances picture quality and is easily demonstrable at dealer counter. This has resulted in significant increase in market share.
2. Videocon has introduced a majestic 98" UHD TV – the biggest TV in our range. With our 98" UHD TV, customers can experience theatrical ambience in the convenience of their homes.
3. Mobile Audio feature: Customers are greatly delighted to use the mobile audio feature. It enables customers to connect their mobile phones to a normal LED TV for listening to mobile audio through TV speakers.
4. ASB feature – Amplifier Stereo Bass feature enhances audio quality. Customers can enjoy smooth audio with terrific bass and melodious treble.
5. E-Share feature – This feature is specifically designed for Smart TV range. It allows the customers to wirelessly connect mobile phones to their Smart LED TV.
6. Star rated TV - This feature has been introduced as a "Go Green" initiative for power saving. It is also in compliance with BEE norms.
7. In Direct Cool refrigerators, the BEE energy norms were upgraded further by 40% and to maintain the 5\* Rating, we had to implement the Refrigerant R600a in place of R134a which is more efficient.
8. Changes in the Product cooling system and upgraded electrical parts from safety point of view for the entire range of direct cool refrigerators.
9. Up-gradation to R600a across the Frost free refrigerators.
10. Digi one with Touch screen is the most modern Washing Machine which is Tech savvy and with inbuilt heater for sterilized wash, is unmatched in market for its unique features.
11. Digi Zara series of Fully Automatic Top Loading machines which are sleek and with modern technology like UV(Ultraviolet) sterilization for Hygiene wash, hot air dry technology in top load washing machine which continue to take laundry cleaning and hygiene to New level.
12. With addition of Alpha One series of Washing Machine introduced recently which extends the legacy of VIRAT series in Semi-Automatic category with new colour variants, improved features and big capacity. New variants of Fully Auto washing machine Digi-Virat with 10 kg Washing capacity and In-built heater feature which is one of its kind for combination of Higher washing capacity with in-built heater.
13. Digi-Garcia series of Fully Automatic Washing Machines with vibrant colours and aesthetically superior looks, water saver function, multiple wash selection option, lesser water consumption and higher performance continues to be a popular series.
14. Aryabot AC development with Satellite controlled Air-conditioner model, Operating through Smart phones for comfort and convenience using Internet of Things technology.

15. Solar AC development comprising of Non-conventional energy source utilization for AC operation and environment friendly to reduce global warming.
16. Non CFC - Refrigerant AC development with Ozone friendly refrigerant R410a development for environment protection against Global warming and Ozone layer depletion.
17. Inverter AC development i.e. Energy efficient Air-conditioner, Energy consumption reduction and better comfort for customer due to variable speed compressor running through DC Inverter Technology.
18. G mark and CB approved air-conditioner models for export.

**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:

1. To focus on the picture quality with rich, vibrant colors, remarkable brightness, and a higher range of colors endowed with deeper blacks and brighter whites that can be enjoyed by our customers within value for money
2. To come up Global/Indian trends infused in our products enriching the customer product interactions.
3. Engaging in Internet of Things (IoT) technology, which will delight the customers by creating a web of seamless connectivity between TV and other home appliances.
4. Cost reduction projects through new innovative design ideas across both frost free and direct cool refrigerators
5. Introduction of Inverter compressor to the existing frost free refrigerator series.
6. To bring in washing machines with excellent wash performance alongside Energy and water efficient designs catering to environment benefits and value for money for our customers.
7. Product development with new refrigerant R32, further better reduction in Global warming potential over R410a.
8. Energy efficient AC development as per the new ISEER rating norms by BEE for year 2018.
9. Improved Satellite controlled model with support by IOS and Android technology.

During the period under review, the Company has incurred ₹ 37.31 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 period ended on 31<sup>st</sup> March, 2017 are set out hereunder:

(₹ In Million)

Particulars	15 months Period ended 31 <sup>st</sup> March, 2017	12 months Period ended 31 <sup>st</sup> December, 2015
Foreign Exchange Earnings	10,462.73	9,938.26
Foreign Exchange Outgo	32,127.50	21,617.09

**RISK MANAGEMENT POLICY OF THE COMPANY**

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

The Company has formed Risk Management Committee. The scope and composition of the Committee forms part of the Corporate Governance Report. Further, the members of the Risk Management Committee and the senior management personnel review the Risk Management Policy periodically, discusses and mitigate the identified risks from time to time.

## CORPORATE SOCIAL RESPONSIBILITY POLICY

Corporate Social Responsibility (CSR) has been a commitment at VIL and forms an integral part of our activities. The Company's contribution to social sector development includes several pioneering interventions, and is implemented through the involvement of stakeholders within the Organization and the broader community.

Over the last few years, VIL has developed significant projects in specific areas and has built capabilities for direct project implementation. The objective of the company is to pro-actively support meaningful socio-economic development.

We are focusing on identifying and motivating the skills of the physically challenged youth and helping them to enhance them.

This is based on the belief that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of society.

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 period under review.

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

- Added new type of fire extinguisher (Ball type) to attend immediate small fire in case of emergency.
- Fire Demo kit is prepared for demonstrate and give training and operation of Fire extinguisher to all individual.
- Established a CCTV control room in respective shop floors areas for the close monitoring of safety and Emergency purpose.
- Display of all Emergency Exit and Evacuation plan in auto glow board at shop floors.
- Increased the Fire Marshal(s) quantity in shop floor by adding skills for any emergency.
- Installed safe loader instrument to EOT crane at Molding division to avoid crane accident at shop floor area.
- Additional stopper provided in LOT crane to ensure crane will halt in specified location.
- Installation of LPG gas detector at Paint shop in LPG gas bank area.
- Displayed MSDS Matrix at High Hazard and Zero Zone area.
- Provision of Safety equipment's 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.
- Incident/Accidents Investigation and Reporting with Root cause, corrective and preventive actions.

- 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 area to warn workers about imminent hazard dealt at site.
- Enhance 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.
- To create mass awareness among all workers celebrated 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 the 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.

Our 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:

- Installation of 2KL/Day Liter ETP Plant for Paint shop waste water treatment.
- The treated water is used for plantation and flushers.
- Reviewed all wash room waste water connections and ensured all washrooms connected to STP Plant.
- Established the chemical lab for Waste Water Testing purpose in campus as per Central Pollution Control Board norms.
- Recertification of ISO-14001, for Environmental Management System.
- Hazardous waste sends to authorized party for disposal as per defined duration.
- Regular Air & Water Monitoring as per (NAAQS - 2010) Standards.
- Started online filing of watercess and Hazardous waste annual return.
- Installed Environment performance board at main gate and parameter displayed in local language.
- Upgradation of Effluent treatment & sewage treatment plant and using treated water for gardening.
- Celebration of world environment day, to increase the mass awareness among the employees. Planted 700 Nos of trees as per State pollution control board target.



Our 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) 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 developed Sales Transformation & Enhancement Program (STEP) application, an innovative & customized in-house developed sales tool for providing day to day information required by sales force on the field. This tool helps in improving efficiency, enhance ability & productivity of sales force, leading to long-term business sustainability and customer delight. 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 period under review, the Company did not receive any complaint.

### DETAILS OF DIRECTORS/KEY MANAGERIAL PERSONNEL APPOINTED/RESIGNED DURING THE PERIOD

During the period under review, Mr. Bhopinder Jagdish Mittar Chopra, was appointed as an Independent Director w.e.f. 30<sup>th</sup> 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.

Maj. Gen. Sudhir Chintamani Nilkanth Jatar, ceased to be an Independent Director of the Company w.e.f. 14<sup>th</sup> May, 2016, consequent to the resignation tendered by him.

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 non-attending the meetings of the Board of Directors during the period of preceding twelve months ended on 29<sup>th</sup> February, 2016.

The re-appointment of Mr. Venugopal N. Dhoot was approved by the shareholders of the Company at the Annual General Meeting held on 27<sup>th</sup> June, 2016.

Mr. Subhash Dayama was appointed as an Additional Director on the Board of the Company at the meeting held on 14<sup>th</sup> May, 2016. In terms of the provisions of the Companies Act, 2013 and Rules made thereunder, the appointment of Mr. Subhash Dayama as an Independent Director was approved and confirmed by the shareholders of the Company at the Annual General Meeting held on 27<sup>th</sup> June, 2016.

The nomination of Mr. Subroto Gupta was withdrawn by IDBI Bank Limited. Consequently, he ceased to be the Nominee Director w.e.f. 27<sup>th</sup> November, 2016. Mr. Pradip Kumar Das was co-opted as Nominee Director of IDBI Bank Limited on the Board of the Company at the meeting held on 11<sup>th</sup> February, 2017, in place of Mr. Subroto Gupta.

During the period under review, Mr. Venugopal N. Dhoot was also designated, in addition to the Managing Director of the Company, as Chief Executive Officer of the Company.

Mrs. Sarita Surve was appointed as an Additional Director on the Board of the Company at the meeting held on 11<sup>th</sup> February, 2017. In terms of the provisions of the Companies Act, 2013 and the Rules made thereunder, she 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 Mrs. Sarita Surve for the office of Independent Director of the Company. The Board recommends her appointment.

### Changes after the Balance Sheet date:

1. Mr. Bhopinder Jagdish Mittar Chopra, tendered his resignation to act as Director of the Company (appointed in casual vacancy) due to old age and health issues, w.e.f. 22<sup>nd</sup> September, 2017.
2. The nomination of Mr. Pradip Kumar Das was withdrawn by IDBI Bank Limited, consequent thereto Mr. Pradip Kumar Das ceased to be the Nominee Director of the Company pursuant to the resignation tendered by him w.e.f. 10<sup>th</sup> August, 2017. Mr. Sanjiv Kumar Sachdev was co-opted as Nominee Director of the Company at the meeting of the Board of Directors held on 22<sup>nd</sup> September, 2017.

In terms of the provisions of the Companies Act, 2013, Mr. Venugopal N. Dhoot is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. The Board is of the view that his continued association will prove beneficial for the growth and development of the Company. The Board recommends his reappointment at the ensuing Annual General Meeting.

A brief profile of Mr. Venugopal N. Dhoot and Mrs. Sarita Surve, nature of expertise and 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 inter-se as stipulated under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended to the Notice.

The Board takes this opportunity and places on record its sincere appreciation for the valuable guidance of Mrs. Ramabai V. Dhoot, Mr. Bhopinder Jagdish Mittar Chopra, Maj. Gen. Sudhir Chintamani Nilkanth Jatar, Mr. Subroto Gupta and Mr. Pradip Kumar Das, during their tenure as Director of the Company.

### Key Managerial Personnel:

During the period under review, Mr. Vinod Kumar Bohra resigned as the Company Secretary of the Company w.e.f. 11<sup>th</sup> February, 2017 and Mr. Mandar C. Joshi was appointed as Company Secretary and Compliance Officer of the Company on the same date.

The Company is in compliance with the provisions of Section 203 of the Companies Act, 2013. Following are the Key Managerial Personnel(s) of the Company:

1. Mr. Venugopal N. Dhoot - Managing Director and Chief Executive Officer
2. Mr. Ashutosh Gune – Chief Financial Officer
3. Mr. Mandar C. Joshi – 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) stating that they meet the criteria of independence as provided therein.

#### NUMBER OF MEETINGS OF THE BOARD HELD DURING THE PERIOD

During the financial period under review, the Board met Seven (7) 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 Listing Regulations, 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. Re-organization Committee
7. Finance and General Affairs Committee

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

During the period under review, the Board of Directors of the Company dissolved the Rights Issue Committee.

#### FORMAL ANNUAL EVALUATION

During the period under review, pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on Corporate Governance under the Securities and Exchange Board of India (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.

#### MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report, as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided in a separate section and forms an integral part of this report.

#### BUSINESS RESPONSIBILITY REPORT

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates inclusion of the Business Responsibility Report as a part of the Annual Report for top 500 listed entities based on market capitalisation. Since the Company is one of the top 500 listed entities, the Company has presented its Business Responsibility Report for the Financial Period ended 31<sup>st</sup> March, 2017, as a part of this Annual Report.

#### CONSOLIDATED FINANCIAL STATEMENTS

As stipulated by Regulation 33 of the Securities and Exchange Board of India (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](http://www.videoconworld.com)

#### CASH FLOW STATEMENT

The Cash Flow Statement for the period ended 31<sup>st</sup> March, 2017, in conformity with the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India, is annexed hereto.

#### AUDITORS AND THEIR REPORTS

##### 1. STATUTORY AUDITORS:

In terms of provisions of section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (the “Act”), an audit firm can hold office as statutory auditor for two terms of five years i.e. for a maximum period of ten years.

The Members of the Company at the 25<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> June, 2015 have 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 25<sup>th</sup> Annual General Meeting until the conclusion of 28<sup>th</sup> Annual General Meeting of the Company.

In view of the requirements as stipulated in proviso 3 of sub-section 2 Section 139 of the Companies Act, 2013, every company existing on or before the Commencement of the Act, shall comply with the requirements, within three years from the commencement of the Act.

Further, the Removal of Difficulties order dated 30<sup>th</sup> June, 2016 issued by Ministry of Corporate Affairs, states that the provisions in respect of rotation of Auditors shall apply at the first Annual General Meeting being held after the completion of period of Three years from commencement of Act. As a result, the Auditors of the Company who has been appointed at the 25<sup>th</sup> Annual General Meeting will cease to be the Statutory Auditors of the Company at the ensuing Annual General Meeting, pursuant to the above provisions of the Act.

Accordingly, The Board of Directors have at their meeting held on 24<sup>th</sup> November, 2017 on the recommendation of Audit Committee, recommended appointment of M/s. S. Z. Deshmukh & Co., Chartered Accountants, Mumbai (Firm Registration No. 102380W), as the Statutory Auditors of the Company to hold office for a term of Five (5) consecutive

years commencing from the conclusion of the ensuing 27<sup>th</sup> Annual General Meeting upto the conclusion of 32<sup>nd</sup> Annual General Meeting of the Company.

A certificate from M/s. S. Z. Deshmukh & Co., Chartered Accountants, Mumbai (Firm Registration No. 102380W) conforming their eligibility and consent to act as Auditors of the Company and 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 appointment of M/s. S. Z. Deshmukh & Co., Chartered Accountants, Mumbai (Firm Registration No. 102380W) as the Auditors of the Company for a term of 5 (Five) consecutive years from the conclusion of the ensuing Annual General Meeting i.e. 27<sup>th</sup> Annual General Meeting until the conclusion of 32<sup>nd</sup> Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) on such remuneration as may be fixed by the Board of Directors of the Company.

## 2. 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 period ended on 31<sup>st</sup> March, 2017.

### Management's Explanation to the Auditors' Qualifications:

#### Standalone:

In respect of the qualifications with regards, to extent of realisability of investments of Rs. 75,002.03 Million in Videocon Telecommunications Limited (VTL), the subsidiary, the explanation of management is as under;

The Company has, directly and through its subsidiaries, made investments aggregating to Rs 75,002.03 Million to Videocon Telecommunications Limited (VTL), the subsidiary. VTL was granted the license for providing Unified Access Services (UAS) in 21 circles by the Department of Telecommunications, Government of India (DoT) in 2008 and was also allotted spectrum in 20 circles. The Hon'ble Supreme Court of India, vide its judgment dated 2<sup>nd</sup> February, 2012, quashed all the UAS licenses granted on or after 10<sup>th</sup> 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 16<sup>th</sup> February, 2013, which are valid for a period of 20 years. VTL was allotted spectrum in these 6 circles. VTL has entered into agreement dated 16<sup>th</sup> 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 46,530.00 Million, in terms of the Guidelines for Trading of Access Spectrum by Access Service Providers dated 12<sup>th</sup> October, 2015 and the said transaction has been concluded on 24<sup>th</sup> May, 2016. Though VTL has huge accumulated losses, its net worth is positive and the management is confident of continuing its commercial operations in the National Long Distance (NLD) and International Long Distance (ILD) Business. Accordingly, in the opinion of the management, no provision is required for diminution in the value of aforesaid investments and advances to VTL.

#### Consolidated:

a. In respect of the Auditor's qualification in the Auditors' Report on the Consolidated Financial Statement for the financial period ended 31<sup>st</sup> March, 2017, regarding the determination of impairment loss on its assets including assets held for sale, consequent to the agreement to transfer of the right to use 2x5 MHz Spectrum allotted to Videocon Telecommunications Limited (VTL) in its 6 circles with Bharti Airtel Limited, the explanation of management is as under:

VTL is in the process of ascertaining the impairment loss, if any, on its fixed assets including capital work-in-progress. The requisite accounting effect, if any, will be given upon such ascertainment/determination.

b. In respect of the Auditor's qualification in the Auditors' Report on the Consolidated Financial Statement for the financial period ended 31<sup>st</sup> March, 2017, regarding advances given by Videocon Telecommunications Limited ("VTL") to Quadrant Televentures Limited (QTL) of Rs. 12,193.97 Million Out of this, an amount of Rs. 12,000.00 Million was converted into Unsecured Zero Coupon Compulsorily Convertible Debentures. The explanation of management is as under;

VTL had given advances of Rs. 12,193.97 Million to Quadrant Televentures Limited (QTL) for the proposed acquisition of indefeasible Rights of Use (IRU) the UAS License of QTL in Punjab circle, subject to regulatory approvals. Out of this, an amount of Rs. 12,000.00 Million were converted into Unsecured Zero Coupon Compulsory Convertible Debentures of face value Rs. 1000/- each (CCD) (Convertible into 2% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of Rs. 100/- each at par) on 29<sup>th</sup> March, 2017. The conversion of the said CCD shall be after 1<sup>st</sup> April, 2025. Based on the business plan of QTL, the management is confident of generating cash flows from business operations through increase in subscriber base and other value added services and reducing losses gradually. Considering the business plan of QTL, the management of VTL is confident of realisability of the said advances and investments.

### Emphasis of Matter in Standalone Financial Statements

The Auditors of the Company have given emphasis of matter in the stand alone Financial Statements with regards to reliance on the un-audited financial statements for the period 01<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017, in respect of the Ravva Oil and Gas Field Joint Venture. The explanation of management is as under:

The standalone financial statements reflect the share of the 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 statement of account received from the Operator. The Company has participating interest of 25% in Ravva Oil and Gas Field Joint Venture through a Production Sharing Contract (PSC). The Company has received the audited financial statements for the period upto 31<sup>st</sup> March, 2016 and un-audited financial statements for the period 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017, in respect of the said joint venture from the Operator which has been certified by the management.

In the past, there was no change/difference in the un-audited financial statements and the audited financial statements. Hence, the management is not expecting any impact of the same.

### Emphasis of Matter in Consolidated Financial Statements

a) 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, Videocon Energy Brazil Limited, and the joint venture IBV Brasil Petroleo Limitada have in their respective reports on separate financial statements, 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 explanation of Management is as under:

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.

b) During the period, VTL has incurred a net loss before extraordinary items of Rs. 13,344.61 Million and has accumulated losses of Rs. 62,941.06 Million as at 31<sup>st</sup> March, 2017. Also, VTL has traded the right to use 2x5 MHz Spectrum allotted to it in 6 circles, in terms of the Guidelines for Trading of Access Spectrum by Access Service Providers dated 12<sup>th</sup> October, 2015 issued by the WPC Wing of the Department of Telecommunications, (DoT), Government of India (Spectrum Trading Guidelines), which has resulted in closure of GSM (Global System for Mobile Communications) business operations of VTL in all 6 circles. These factors raise a doubt that VTL will not be able to continue as a going concern.

### The explanation of the management is as under:

Though VTL has huge accumulated losses, its net worth as on 31st March, 2017 is positive. The management of VTL is confident of continuing its commercial operations in the National Long Distance (NLD) and International Long Distance (ILD) Business. Accordingly, the financial statements of VTL have been prepared on a going concern basis

### 3. 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 year commencing from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018 in respect of the products covered as below:

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

In compliance with the provisions of the Companies Act, 2013, 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) plus applicable tax and out of pocket expenses payable to the Cost Auditor for the financial year commencing from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018.

In compliance with provisions of the Companies (Cost Records and Audit) Rules, 2014 and amendments made thereto; from time to time and General Circulars thereof, we hereby submit that the Company has filed the Cost Audit Report for the financial year started from 1st January, 2015 and ended on 31st December, 2015 on 21<sup>st</sup> June, 2016 (due date 28<sup>th</sup> June, 2016). For the financial year ended on 31<sup>st</sup> March, 2017, the Company shall file the Cost Audit Report at the earliest. The delay in filing is on technical grounds.

### 4. 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 period ended on 31st March, 2017. The report of the Secretarial Auditor is annexed to this report as Annexure 1. In connection with the Secretarial Auditor's observation in the report, it is clarified that the Company is in process of filing the return of Foreign Assets and Liabilities for the Financial Period ended 31<sup>st</sup> March, 2017 with the Reserve Bank of India. Further, the delay in filing some of the forms including form for appointment of CEO (Additional designation to Mr. Venugopal N. Dhoot) was due to technical difficulty in filing. The Company has filed the said forms except for the form for appointment of Mr. Venugopal N. Dhoot as Chief Executive Officer.

### DETAILS OF FRAUDS 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 period ended on 31st March, 2017.

### INTERNAL CONTROLS, INTERNAL AUDIT AND OTHER INITIATIVES

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

The Company has, in compliance with the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of Companies (Accounts) Rule 2014, has in place in-house internal audit team led by in house internal auditor to carry out the audit of internal records maintained by the Company.

The Company has designed Internal Controls to safeguard assets; ensure the management has accurate, timely and complete information in order to plan, monitor and report business operations; ensure compliance with various laws and regulations affecting the operations of the Company; promote efficient and effective operations; and provide a mechanism for management to monitor the achievement of operational goals and objectives.

The Company carries out physical verification of fixed assets and inventories, in the phased programme of verification.

The management has initiated an exercise to determine obsolete, slow-moving and stale inventories and consequently write down the valuation, the impact thereof will be incorporated in the ensuing financial results on completion of the exercise.

### 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 2.

### ORDERS PASSED BY REGULATORS/COURTS/ TRIBUNALS

No material orders were passed by Regulators/ Courts / Tribunals during the period 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company 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; and
- (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.
- (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  
MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER  
DIN: 00092450**

Place: Mumbai  
Date: 24<sup>th</sup> November, 2017



## ANNEXURE - 1

## SECRETARIAL AUDIT REPORT

Form No. MR - 3

For the period ended 31st March 2017

[Pursuant to Section 204 (1) of the Companies Act 2013 &amp; Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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 1<sup>st</sup> January, 2016 to 31<sup>st</sup> March, 2017 ("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 period ended on 31<sup>st</sup> March, 2017 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, 2015;
  - 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

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.

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. *As per Section III (Annexure 6) (Para 2.2d) of the Foreign Direct Investment Policy, the return of Foreign Assets and Liabilities for the Audit Period has not been filed for the Company with the Reserve Bank of India.*
- ii. *The Company has delayed in filing of some of the e-Forms with the Registrar of Companies during the Audit Period.*
- iii. *Mr. Venugopal N. Dhoot was also designated, in addition to the Managing Director of the Company, as the Chief Executive Officer of the Company. However, in my opinion, an e-form DIR-12 should have been filed for the appointment of CEO under the provisions of Section 203 of the Act.*

Apart from the above observations, I would like to highlight the following:

- i. The Company has already appointed Chief Financial Officer (CFO) prior to commencement of the Act. Hence, the Company has clarified that it was not required to file e-form DIR-12 for appointment of CFO. However, in my opinion, e-form DIR-12 should have been filed ratifying the appointment of the CFO under the provisions of Section 203 of the Act and the rules made thereunder.
- ii. 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 has clarified that it was not required to file e-Form MGT-14 for appointment of Internal Auditor.

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 filed e-form GNL-2 on 31<sup>st</sup> December, 2016 with the office of the Registrar of Companies, Mumbai for extending the financial year for the Company from 12 months to 15 months (i.e. from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2016 to 1<sup>st</sup> January, 2016 to 31<sup>st</sup> March, 2017).
- ii. Mr. Vinod Kumar Bohra ceased to be the Company Secretary and Compliance Officer of the Company and in his place, Mr. Mandar Joshi was appointed as the Company Secretary and Compliance Officer of the Company.
- iii. Mr. Venugopal N. Dhoot was also designated, in addition to the Managing Director of the Company, as the Chief Executive Officer of the Company.

Sd/-  
CS Soumitra Mujumdar  
ACS 30938  
CP 12363

Date: 24<sup>th</sup> November, 2017  
Place: Mumbai

*This report to be read with my letter of even date which is annexed as Annexure 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: 24<sup>th</sup> November, 2017  
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 - 2**  
**FORM NO. MGT - 9**

As on the financial period ended on 31<sup>st</sup> March, 2017

**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	:	4 <sup>th</sup> 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	95.08

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

As on financial year ended on 31.03.2017

Sl. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	<b>Applied Energy Private Limited</b> Address: 171-C, 17 <sup>th</sup> Floor, Mittal Court C Wing, Nariman Point, Mumbai - 400021	U40104MH2009PTC191519	Subsidiary	100	2(87)(ii)
2	<b>Chhattisgarh Power Ventures Private Limited</b> Address: 171-C, 17 <sup>th</sup> Floor, Plot-224 C Wing, Mittal Court, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021	U40300MH2010PTC201493	Subsidiary	100	2(87)(ii)
3	<b>Jumbo Techno Services Private Limited</b> Address: 12 <sup>th</sup> Floor, Videocon Tower, Block E-1, Jhandewalan Extension, New Delhi – 110 055	U93000DL2007PTC166247	Subsidiary	100	2(87)(ii)
4	<b>Liberty Videocon General Insurance Company Limited</b> Address: 10 <sup>th</sup> Floor, Tower A, Peninsula Business Park Ganpatrao Kadam Marg, Lower Parel, Mumbai-400 013	U66000MH2010PLC209656	Subsidiary	56.53	2(87)(ii)
5	<b>Middle East Appliances LLC</b> Address: P.O Box196, Postal Code 124, Rusayl, Sultanate of Oman	CR No. 1/73156/4	Subsidiary	100	2(87)(ii)
6	<b>Pipavav Energy Private Limited</b> Address: 171-C, Floor 17, Plot-224 C Wing, Mittal Court, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021	U40102MH2007PTC171813	Subsidiary	100	2(87)(ii)
7	<b>Proficient Energy Private Limited</b> Address: 171-C, 17 <sup>th</sup> Floor, Mittal Court C Wing, Nariman Point, Mumbai - 400021	U40105MH2010PTC200461	Subsidiary	100	2(87)(ii)
8	<b>Prosperous Energy Private Limited</b> Address: 171-C, 17 <sup>th</sup> Floor, Mittal Court C Wing, Nariman Point, Mumbai - 400021	U40109MH2010PTC207233	Subsidiary	100	2(87)(ii)

Sl. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
9	<b>Senior Consulting Private Limited</b> Address: 12 <sup>th</sup> Floor, Videocon Tower, Block E-1, Jandewalan Extension, New Delhi – 110 055	U74900DL2007PTC166266	Subsidiary	100	2(87)(ii)
10	<b>Videocon Australia WA – 388-P Limited</b> Address: P. O Box 309, Uglan House, Grand Cayman, KY1-1101, Cayman Islands	MC-233984	Subsidiary	100	2(87)(ii)
11	<b>Videocon Brazil Ventures B.V.</b> Address: Haaksbergweg 71, 1101 BR Amsterdam	52391337	Subsidiary	100	2(87)(ii)
12	<b>Videocon Brazil Petroleo Ltda</b> Address: Avenida das Americas, 4200, rooms, 217B to 220B, Rio de Janeiro.	22.396.282/0001-20	Subsidiary	100	2(87)(ii)
13	<b>Videocon Easypay Private Limited (Formerly: Datacom Telecommunications Private Limited)</b> Address: C 157, Industrial Area, Phase-VII, Mohali, Rupnagar, Punjab - 160055	U67190PB2008PTC031630	Subsidiary	93.75	2(87)(ii)
14	<b>Videocon Electronics (Shenzhen) Limited</b> Address: 3G, Main Building, Ruode Financial Center, Fuzhong, 3rd Road, Futian District, Shenzhen City, Guangdong Province	SWZ YSFWZZZ[2008] No. 0084	Subsidiary	100	2(87)(ii)
15	<b>Videocon Energy Limited</b> Address: Auto Cars Compound, Adalat Road, Aurangabad 431 005	U40103MH2010PLC198876	Subsidiary	100	2(87)(ii)
16	<b>Videocon Energy Brazil Limited</b> Address: Kingston Chambers, P.O. Box 173, Road Town, Tortola British Virgin Islands	1456147	Subsidiary	100	2(87)(ii)
17	<b>Videocon Global Limited</b> Address: International Trust Building, P.O Box 659, Road Town, Tortola, British Virgin Islands	604927	Subsidiary	100	2(87)(ii)
18	<b>Videocon Hydrocarbon Holdings Limited</b> Address: P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands	MC-233951	Subsidiary	100	2(87)(ii)
19	<b>Videocon Hydrocarbon Ventures B.V.</b> Address: Haaksbergweg 71, 1101 BR Amsterdam	52391531	Subsidiary	100	2(87)(ii)
20	<b>Videocon Indonesia Nunukan Inc.</b> Address: P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands	MC-210985	Subsidiary	100	2(87)(ii)
21	<b>Videocon International Cooperatie U.A.</b> Address: Haaksbergweg 71, 1101 BR Amsterdam	50851292	Subsidiary	100	2(87)(ii)
22	<b>Electroworld Digital Solutions Limited (Formerly: Videocon International Electronics Limited)</b> Address: 171-C, 17 <sup>th</sup> Floor, Mittal Court C Wing, Nariman Point, Mumbai - 400021	U32100MH2003PLC142232	Subsidiary	100	2(87)(ii)
23	<b>Videocon JPDA 06-103 Limited</b> Address: P O Box 309 GT, Uglan House, South Church Street, George Town, Grand Cayman	MC-156838	Subsidiary	100	2(87)(ii)
24	<b>Videocon Mauritius Energy Limited</b> Address: 4 <sup>th</sup> Floor, Ebene Skies, Rue de L'institut, Ebene, Republic of Mauritius	C097658 C1/GBL	Subsidiary	100	2(87)(ii)
25	<b>Videocon Oil Ventures Limited</b> Address: Auto Cars Compound, Adalat Road, Aurangabad 431 005	U11102MH2010PLC199078	Subsidiary	100	2(87)(ii)
26	<b>Videocon Telecommunications Limited</b> Address: R H No. 2, Pratapnagar Shahnoorwadi Road, Aurangabad – 431 001	U72900MH2007PLC204763	Subsidiary	93.75	2(87)(ii)
27	<b>Videocon Infinity Infrastructures Private Limited</b> Address: Sector-V, Block BP Salt Lake City, Kolkatta - 700 091, West Bengal	U45400WB2008PTC126333	Joint Venture	50	2(6)
28	<b>IBV Brazil Petroleo Limitada</b> Address: AV. Das Americas, No. 4200 building 9, rooms 217B to 220B (part), Ed. Paris, Centro Empresarial Barra Shopping, State of Rio de Janeiro, Zip Code 22640-102	07.766.332/0001-20	Joint Venture	50	2(6)
29	<b>Radium Appliances Private Limited</b> Address: 171-C, 17 <sup>th</sup> Floor, Mittal Court C Wing, Nariman Point, Mumbai – 400021	U74999MH2010PTC207329	Associate	26	2(6)
30	<b>Unity Power Private Limited</b> 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	
<b>A. Promoters</b>									
<b>1. Indian</b>									
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.	219,414,681	-	219,414,681	65.60	220,312,478	-	220,312,478	65.87	+0.27
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):-</b>	<b>219,978,914</b>	<b>-</b>	<b>219,978,914</b>	<b>65.77</b>	<b>220,876,711</b>	<b>-</b>	<b>220,876,711</b>	<b>66.04</b>	<b>+0.27</b>
<b>2. Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter(A)= (A)(1)+(A)(2)</b>	<b>219,978,914</b>	<b>-</b>	<b>219,978,914</b>	<b>65.77</b>	<b>220,876,711</b>	<b>-</b>	<b>220,876,711</b>	<b>66.04</b>	<b>+0.27</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	52,879	1,323	54,202	0.02	48,547	1,323	49,870	0.01	-0.01
b) Banks/FI	8,410,882	13,016	8,423,898	2.52	8,320,577	13,016	8,333,593	2.50	-0.02
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	10,952,112	11,371	10,963,483	3.28	12,034,322	11,371	12,045,693	3.60	+0.32
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others(Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total(B)(1):-</b>	<b>37,592,013</b>	<b>25,710</b>	<b>37,617,723</b>	<b>11.25</b>	<b>38,579,586</b>	<b>25,710</b>	<b>38,605,296</b>	<b>11.55</b>	<b>+0.30</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	24,403,297	400,812	24,804,109	7.42	23,450,380	400,596	23,850,976	7.13	-0.29
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	8,499,547	1,250,352	9,749,899	2.92	7,933,944	1,230,179	9,164,123	2.74	-0.18
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	2,419,175	31,296	2,450,471	0.73	2,942,399	31,296	2,973,695	0.89	+0.16
c) Others – Overseas Depository – shares held by Custodian for GDRs*	39,705,381	-	39,705,381	11.87	38,835,179	-	38,835,179	11.61	-0.26
1) NRI	146,520	3,769	150,289	0.04	145,308	3,484	148,792	0.04	-
2) Trust/Co-operative Society/ Foundation	1,999	90	2,089	0.00	4,013	90	4,103	0.00	-
<b>Sub-Total (B)(2):-</b>	<b>75,175,919</b>	<b>1,686,319</b>	<b>76,862,238</b>	<b>22.98</b>	<b>73,311,223</b>	<b>1,665,645</b>	<b>74,976,868</b>	<b>22.42</b>	<b>-0.56</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>112,767,932</b>	<b>1712,029</b>	<b>114,479,961</b>	<b>34.23</b>	<b>111,890,809</b>	<b>1,691,355</b>	<b>113,582,164</b>	<b>33.96</b>	<b>-0.27</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total(A+B+C)</b>	<b>332,746,846</b>	<b>1,712,029</b>	<b>334,458,875</b>	<b>100.00</b>	<b>332,767,520</b>	<b>1,691,355</b>	<b>334,458,875</b>	<b>100.00</b>	<b>-</b>

**ii. Shareholding of Promoters / Promoter Group and persons acting in concert**

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	Rajkumar Nandlal Dhoot	134,592	0.04	-	134,592	0.04	0.04	-
2	Pradipkumar Nandlal Dhoot	156,808	0.05	-	156,808	0.05	0.00	-
3	Venugopal Nandlal Dhoot	89,575	0.03	-	89,575	0.03	0.03	-
4	Kesharbai Nandlal Dhoot	8,210	0.00	-	8,210	0.00	0.00	-
5	Sushma R Dhoot	14,942	0.00	-	14,942	0.00	0.00	-
6	Nalinibai Pradipkumar Dhoot	14,934	0.00	-	14,934	0.00	0.00	-
7	Ramabai Venugopal Dhoot	14,097	0.00	-	14,097	0.00	0.00	-
8	Anirudha Venugopal Dhoot	8,098	0.00	-	8,098	0.00	0.00	-
9	Saurabh Pradipkumar Dhoot	18,088	0.01	-	18,088	0.01	0.00	-
10	Sushmabai Rajkumar Dhoot	50,624	0.02	-	50,624	0.02	0.00	-
11	Akshay Rajkumar Dhoot	54,265	0.02	-	54,265	0.02	0.00	-
12	Dome-Bell Electronics India Pvt. Ltd.	19,741,704	5.90	5.90	16,408,970	4.91	4.89	-0.99
13	Waluj Components Pvt. Ltd.	34,857	0.01	-	34,857	0.01	-	-
14	Century Appliances Ltd.	1,093,110	0.33	0.33	1,093,110	0.33	0.33	-
15	Shree Dhoot Trading And Agencies Ltd.	26,604,836	7.95	7.85	26,179,336	7.83	7.66	-0.12
16	Electroparts (India) Pvt. Ltd.	111,110	0.03	0.03	11,110	0.00	0.00	-
17	Force Appliances Pvt. Ltd.	1,222,222	0.37	0.37	1,007,222	0.30	0.30	-0.07
18	Elegance Appliances Pvt. Ltd. (Formerly : Equity Investments Pvt. Ltd.)	59,644	0.02	-	-	-	-	-0.02
19	Yakme Electronics Pvt. Ltd. (Formerly: Yakme Finance & Investment Pvt. Ltd.)	53,654	0.02	-	-	-	-	-0.02
20	KAIL Ltd.	4,836,110	1.45	1.45	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: Holdings Pvt. Ltd.)	35,566	0.01	-	-	-	-	-0.01
24	Value Industries Limited	35,411	0.01	-	35,411	0.01	-	-
25	South West Electronics Pvt. Ltd. (Formerly: South West Investments Pvt. Ltd.)	11,122	0.00	-	-	-	-	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	4.32	14,462,140	4.32	4.32	-
28	TekCare India Pvt. Ltd.	9,270,877	2.77	2.69	8,260,877	2.47	2.47	-0.30
29	Synergy Appliances Private Limited	15,410,575	4.61	4.60	15,410,575	4.61	4.60	-
30	Platinum Appliances Private Limited	15,604,666	4.67	4.66	15,604,666	4.67	4.67	-
31	Solitaire Appliances Private Limited	11,458,330	3.43	3.42	11,458,330	3.43	3.42	-
32	Synlene Fabrics Ltd.	28,942	0.01	-	28,942	0.01	-	-
33	Tangent Electronics Pvt. Ltd.	12,222,220	3.65	3.65	12,222,220	3.65	3.64	-
34	Trend Electronics Limited	2,906,478	0.87	0.86	2,906,478	0.87	0.86	-
35	Neetu Appliances Pvt. Ltd. (Formerly: Neetu Financial Services Pvt. Ltd.)	211,739	0.06	0.06	-	-	-	-0.06
36	Holly- Hock Investments Pvt. Ltd.	77,830	0.02	0.02	77,830	0.02	0.02	-
37	Videocon Realty And Infrastructures Ltd.	64,670,518	19.34	19.32	63,945,518	19.12	19.11	-0.22
38	Evans fraser and co. (India) Limited	4,608,911	1.38	1.38	4,608,911	1.38	1.34	-
39	Nippon Investment & Finance Co Pvt. Ltd.	13,848,585	4.14	4.11	20,554,616	6.15	6.10	2.01
40	CE India Limited	705,640	0.21	0.21	7,05,640	0.21	0.19	-
41	Leo Communications Pvt. Ltd.	986	0.00	-	986	0.00	-	-
42	Roshi Appliances Pvt. Ltd.	-	-	-	371,725	0.11	0.09	0.11
	<b>Total</b>	<b>219,978,914</b>	<b>65.77</b>	<b>65.23</b>	<b>22,08,76,711</b>	<b>66.04</b>	<b>65.55</b>	<b>0.31</b>



## iii. Change in Promoter's / Promoter Group'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	Nippon Investment And Finance Company Private Limited	13,848,585	4.14	08.01.2016	+23,500	Market Purchase	13,872,085	4.15
		13,872,085	4.15	09.03.2016	+26,600	Market Purchase	13,898,685	4.16
		13,898,685	4.16	14.03.2016	+298,600	Market Purchase	14,197,285	4.24
		14,197,285	4.24	15.03.2016	+147,831	Market Purchase	14,345,116	4.29
		14,345,116	4.29	08.04.2016	+160,000	Market Purchase	14,505,116	4.34
		14,505,116	4.34	29.04.2016	+855,500	Market Purchase	15,360,616	4.59
		15,360,616	4.59	15.06.2016	+2,749,000	Market Purchase	18,109,616	5.41
		18,109,616	5.41	27.06.2016	+1,000,000	Market Purchase	19,109,616	5.71
		19,109,616	5.71	28.06.2016	+1,000,000	Market Purchase	20,109,616	6.01
		20,109,616	6.01	25.07.2016	+360,000	Market Purchase	20,469,616	6.12
		20,469,616	6.12	26.07.2016	+50,000	Market Purchase	20,519,616	6.14
		20,519,616	6.14	27.07.2016	+35,000	Market Purchase	20,554,616	6.15
2	Electroparts (India) Private Limited	111,110	0.03	29.04.2016	-100,000	Market Sale	11,110	0.00
		11,110	0.00					
3	Force Appliances Private Limited	1,222,222	0.37	29.04.2016	-215,000	Market Sale	1,007,222	0.30
		1,007,222	0.30					
4	Shree Dhoot Trading And Agencies Limited	26,604,836	7.95	29.04.2016	-540,500	Market Sale	26,064,336	7.79
		26,064,336	7.79	25.11.2016	+100,000	Market Purchase	26,164,336	7.82
		26,164,336	7.82	29.11.2016	+15,000	Market Purchase	26,179,336	7.83
		26,179,336	7.83					
5	Dome-Bell Electronics India Private Limited	19,741,704	5.90	15.06.2016	-1,374,000	Market Sale	18,367,704	5.49
		18,367,704	5.49	27.06.2016	-1,000,000	Market Sale	17,367,704	5.19
		17,367,704	5.19	28.06.2016	-1,000,000	Market Sale	16,367,704	4.89
		16,367,704	4.89	29.07.2016	+41,266	Market Purchase	16,408,970	4.91
		16,408,970	4.91					
6	TekCare India Private Limited	9,270,877	2.77	15.06.2016	-650,000	Market Sale	8,620,877	2.58
		8,620,877	2.58	25.07.2016	-360,000	Market Sale	8,260,877	2.47
		8,260,877	2.47					
7	Videocon Realty And Infrastructures Limited	64,670,518	19.34	15.06.2016	-725,000	Market Sale	63,945,518	19.12
		63,945,518	19.12					
8	South West Electronics Private Limited #	11,122	0.00		-11,122	Amalgamation	-	-
		-	-					
9	Tapti Appliances Private Limited #	35,566	0.01		-35,566	Amalgamation	-	-
		-	-					
10	Elegance Appliances Private Limited #	59,644	0.02		-59,644	Amalgamation	-	-
		-	-					
11	Neetu Appliances Private Limited #	211,739	0.06		-211,739	Amalgamation	-	-
		-	-					
12	Yakme Electronics Private Limited #	53,654	0.02		-53,654	Amalgamation	-	-
		-	-					
13	Roshi Appliances Private Limited #	-	-		+371,725	Amalgamation		
		371,725						

# In terms of the Scheme of Amalgamation as approved by the Hon'ble High Court of Judicature at Bombay vide its order dated 6th October, 2016, M/s. South West Electronics Private Limited, M/s. Tapti Appliances Private Limited, M/s. Elegance Appliances Private Limited, M/s. Neetu Appliances Private Limited and M/s. Yakme Electronics Private Limited (the Transferor Companies) Promoter Group Entities of Videocon Industries Limited, amalgamated with their holding company M/s. Roshi Appliances Private Limited (the Transferee Company). The Scheme became effective on 5th November, 2016. Post Merger 3,71,725 equity shares (representing 0.11% of the paid-up share capital of the Company) held by all the Transferor Companies were transferred to M/s. Roshi Appliances Private Limited.

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	12,634,035	3.78	-	-	-	12,634,035	3.78
		12,634,035	3.78					
3	IDBI Bank Ltd.	4,735,770	1.42	24.02.2017	-70,000	Market Sale	4,665,770	1.40
		4,665,770	1.40					
4	IFCI Ltd.	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					
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 Private Limited	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	Vanguard Emerging Markets Stock Index Fund, Aserie	780,339	0.23	30.06.2016	+60571	Market Purchase	840,910	0.25
		840,910	0.25	29.07.2016	+142780	Market Purchase	983,690	0.29
		983,690	0.29	26.08.2016	+243483	Market Purchase	1,227,173	0.37
		1,227,173	0.37	30.09.2016	+84793	Market Purchase	1,311,966	0.40
		1,311,966	0.40					
10	Prabhudas Lilladher Private Limited	1,425,178	0.43	29.02.2016	-181357	Market Sale	1,243,821	0.37
		1,243,821	0.37	31.03.2016	-88041	Market Sale	1,155,780	0.35
		1,155,780	0.35	29.04.2016	-52319	Market Sale	1,103,461	0.33
		1,103,461	0.33	27.05.2016	+624873	Market Purchase	1,728,334	0.52
		1,728,334	0.52	30.06.2016	-209654	Market Sale	1,518,680	0.45
		1,518,680	0.45	29.07.2016	-143364	Market Sale	1,375,316	0.41
		1,375,316	0.41	26.08.2016	-397737	Market Sale	977,579	0.30
		977,579	0.30	30.09.2016	+343462	Market Purchase	1,321,041	0.39
		1,321,041	0.39	28.10.2016	-470652	Market Sale	850,389	0.25
		850,389	0.25	25.11.2016	+8475	Market Purchase	858,864	0.26
		858,864	0.26	31.12.2016	+169575	Market Purchase	1,028,439	0.31
		1,028,439	0.31	27.01.2017	+166672	Market Purchase	1,195,111	0.36
		1,195,111	0.36	24.02.2017	+11211	Market Purchase	1,206,322	0.36
		1,206,322	0.36	31.03.2017	+48039	Market Purchase	1,254,361	0.38
1,254,361	0.38							

v. **Shareholding of Directors and Key Managerial Personnel:**

Sr. No	Name of the Shareholder For Each of the Directors and KMP	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	Venugopal N. Dhoot	89,575	0.03	-	-	-	89,575	0.03
		89,575	0.03					

None of the other KMPs holds any shares in the Company.

V. **Indebtedness****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the period</b>				
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
<b>Total (i+ii+iii)</b>	<b>228,980.93</b>	<b>11,367.56</b>	-	<b>240,348.49</b>
<b>Change in indebtedness during the period</b>				
• Addition	-	118.78	-	118.78
• Reduction	(23,945.11)	-	-	(23,945.11)
<b>Net Change</b>	<b>(23,945.11)</b>	<b>118.78</b>	-	<b>(23,826.33)</b>
<b>Indebtedness at the end of the period</b>				
i. Principal Amount	197,905.95	11,150.00	-	209,055.95
ii. Interest due but not paid	4,760.73	209.53	-	4,970.26
iii. Interest accrued but not due	2,369.14	126.81	-	2,495.95
<b>Total (i+ii+iii)</b>	<b>205,035.82</b>	<b>11,486.34</b>	-	<b>216,522.16</b>

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 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 (A)	-	-
	Ceiling as per the Act	---	---

B. Remuneration to other directors:

(₹ in Millions)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Bhopinder Jagdish Mittar Chopra	Mr. Subhash S. Dayama	Maj Gen Sudhir Chintamani Nilkanth Jatar	Mr. Radheyshyam Agarwal	
1.	Independent Directors					
	-Fee for attending board/committee meetings	0.22	0.20	0.09	0.70	1.21
	- Commission	-	-	-	-	-
	-Others, please specify	-	-	-	-	-
	Total(1)	0.22	0.20	0.09	0.70	1.21
2.	Other Non-Executive Directors	Mr. Subroto Gupta (Nominee Director – IDBI Bank Ltd) (upto 19.11.2016)		Mr. Pradip Kumar Das (Nominee Director – IDBI Bank Ltd) (w.e.f. 11.02.2017)		
	-Fee for attending board/committee meetings		0.10		-	0.10
	- Commission		-		-	-
	-Others, please specify		-		-	-
	Total(2)		0.10		-	0.10
	Total=(1+2)					1.31
	Total Managerial Remuneration					-
	Overall Ceiling as per the Act		----		----	----

C. Remuneration to key managerial personnel as on 31<sup>st</sup> March, 2017 other than MD/ MANAGER/ WTD

(₹ in Millions)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO Mr. Venugopal N. Dhoot	Company Secretary Mr. Mandar C. Joshi (w.e.f. 11.02.2017)	Chief Financial Officer Mr. Ashutosh Gune	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	0.10	3.21	3.31
	(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	-	-	-	-
	<b>Total</b>	-	0.10	3.21	3.31

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the period ended 31<sup>st</sup> March, 2017

### 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

In terms of Regulation 34(3) read with Section C of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the period ended 31<sup>st</sup> March, 2017 is presented below.

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 31<sup>st</sup> March, 2017:

The Board of Directors of the Company comprises of Executive and Non-Executive Directors. The Chairman is an Executive Director (Managing Director & CEO)

As on 31<sup>st</sup> March, 2017, 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
Non-Executive - Independent	- Mr. Radheyshyam Agarwal
	- Mr. Subhash Dayama
	- Mr. Bhopinder Chopra
	- Mrs. Sarita Surve
Non-Executive - Non-Independent	- Mr. Pradip Kumar Das - Nominee Director, IDBI Bank Limited

In all, there were 6 Directors, including 4 Independent Directors as on 31<sup>st</sup> March, 2017. 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 Directors holds any shares or convertible instruments in the Company.

#### • 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	3	-	2
Mr. Radheyshyam Agarwal	6	2	3
Mr. Subhash Dayama (from 14.05.2016)	4	1	2
Mr. Bhopinder Chopra (from 30.01.2016)	2	-	3

Name of the Director	Directorships	Committee Positions	
		Chairman	Member
Mrs. Ramabai V. Dhoot (upto 29.02.2016)	-	-	-
Maj. Gen. S. C. N. Jatar (upto 14.05.2016)	2	-	2
Mr. Subroto Gupta (upto 27.11.2016)	1	-	1
Mr. Pradip Kumar Das (from 11.02.2017)	-	-	-
Mrs. Sarita Surve (from 11.02.2017)	-	-	-

- Directorships 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 Maj. Gen. S. C. N. Jatar and Mr. Subroto Gupta is based on the disclosure submitted at the beginning of the period under review. As regards, other directors, it is as on 31<sup>st</sup> March, 2017.

- During the period under review, Mr. Venugopal N. Dhoot was also designated, in addition to the Managing Director of the Company, as the Chief Executive Officer of the Company.

#### • Number of Board Meeting held, dates and attendance; including attendance at the last Annual General Meeting:

During the period under review, the Board met 7 times on 30.01.2016 (adjourned and continued on 01.02.2016), 29.02.2016, 14.05.2016, 12.08.2016, 13.08.2016, 11.11.2016 and 11.02.2017.

#### Attendance

Name of the Director	No. of Board Meetings attended	Attendance at the last Annual General Meeting held on 27 <sup>th</sup> June, 2016
Mr. Venugopal N. Dhoot	6	No
Mr. Radheyshyam Agarwal	6	Yes
Mr. Subhash Dayama (from 14.05.2016)	2	Yes
Mr. Bhopinder Chopra (from 30.01.2016)	4	Yes
Mrs. Ramabai V. Dhoot (upto 29.02.2016)	0	NA
Maj. Gen. S. C. N. Jatar (upto 14.05.2016)	2	NA
Mr. Subroto Gupta (Nominee Director) (upto 27.11.2016)	5	No
Mr. Pradip Kumar Das (Nominee Director) (from 11.02.2017)	0	NA
Mrs. Sarita Surve (from 11.02.2017)	0	NA

#### Independent Directors Meeting

One separate meeting of the Independent Directors was held on 11.02.2017, 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 judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the Company; and
- Any other materially relevant information.

**d) Recording Minutes of the Proceedings**

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

**e) Follow up Mechanism**

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

**f) Compliance**

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

**g) Code of Conduct**

The Board has laid down a Code of Conduct for all directors and senior management of the Company, which has been posted on the website of the Company i.e. www.videoconworld.com. All directors and senior management personnel have affirmed compliance with the code for the period ended 31<sup>st</sup> March, 2017. 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 31<sup>st</sup> March, 2017:

**1. AUDIT COMMITTEE:**

The Board has constituted an Audit Committee with all the members being Non-Executive 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 of the Committee as on 31<sup>st</sup> March, 2017:**

Name	Designation	Category
Mr. Radheyshyam Agarwal	Chairman	Independent
Mr. Subhash Dayama	Member	Independent
Mr. Bhopinder Chopra	Member	Independent

During the period under review, the Audit Committee was reconstituted as under due to:

- i) Vacation of office of Mrs. Ramabai V. Dhoot on 29<sup>th</sup> February, 2016. Mr. Bhopinder Chopra was co-opted as the member of the Audit Committee in place of Mrs. Ramabai V. Dhoot w.e.f. 29<sup>th</sup> February, 2016.
- ii) Resignation of Maj. Gen. S. C. N. Jatar w.e.f. 14<sup>th</sup> May, 2016. Mr. Subhash Dayama was co-opted as the member of the Audit Committee in place of Maj. Gen. S. C. N. Jatar w.e.f. 14<sup>th</sup> May, 2016.

**Meetings and Attendance:**

During the period under review, 6 meetings of the Committee were held on 29.02.2016, 14.05.2016, 13.08.2016, 11.11.2016, 29.12.2016 and 11.02.2017

**Attendance:**

Name	Meetings Attended*
Mr. Radheyshyam Agarwal	6
Maj. Gen. S.C.N. Jatar (upto 14.05.2016)	1
Mr. Subhash Dayama	3
Mr. Bhopinder Chopra	3

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 judgment 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.
- 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](http://www.videoconworld.com)

#### 2. NOMINATION AND REMUNERATION COMMITTEE:

##### Composition of the Committee as on 31<sup>st</sup> March, 2017:

Name	Designation	Category
Mr. Subhash Dayama	Chairman	Independent
Mr. Radheyshyam Agarwal	Member	Independent
Mr. Bhopinder Chopra	Member	Independent

During the period under review, the Nomination and Remuneration Committee was reconstituted as under due to:

- i) Vacation of office of Mrs. Ramabai V. Dhoot on 29<sup>th</sup> February, 2016. Mr. Bhopinder Chopra was co-opted as the member of the Nomination and Remuneration Committee in place of Mrs. Ramabai V. Dhoot w.e.f. 29<sup>th</sup> February, 2016.
- ii) Resignation of Maj. Gen. S. C. N. Jatar w.e.f. 14<sup>th</sup> May, 2016. Mr. Subhash Dayama was co-opted as the Chairman of the Nomination and Remuneration Committee in place of Maj. Gen. S. C. N. Jatar w.e.f. 14<sup>th</sup> May, 2016.

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

#### Meetings and attendance:

During the financial period under review, 3 meetings of the Committee were held on 29.02.2016, 13.08.2016 and 11.02.2017

Name	Meetings Attended
Maj. Gen. S.C.N. Jatar (upto 14.05.2016)	1
Mr. Radheyshyam Agarwal	3
Mr. Subhash Dayama	2
Mr. Bhopinder Chopra	1

### 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](http://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 website viz. <http://www.videoconindustriesltd.com/Documents/Familiarisation%20Program%20for%20independent%20directors.pdf>

### Director's Remuneration:

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

Sr. No.	Name of the Director	Sitting Fees (₹)
1.	Maj. Gen. S. C. N. Jatar (upto 14.05.2016)	90,000
2.	Mr. Radheyshyam Agarwal	7,00,000
3.	Mr. Bhopinder Chopra	2,20,000
4.	Mr. Subhash Dayama	2,00,000
4.	Mr. Subroto Gupta (IDBI Bank Limited) (upto 19.11.2016)	1,00,000

### Stock Options:

The Company has not issued any Stock Options.

### 3. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

#### Composition of the Committee as on 31<sup>st</sup> March, 2017:

The composition of the Stakeholders' Relationship Committee of the Board of Directors as on 31st March, 2017, was as under:

Name	Designation	Category
Mr. Subhash Dayama	Chairman	Independent
Mr. Radheyshyam Agarwal	Member	Independent
Mr. Bhopinder Chopra	Member	Independent

During the period under review, the Stakeholders' Relationship Committee was reconstituted as under due to:

- Vacation of office of Mrs. Ramabai V. Dhoot on 29<sup>th</sup> February, 2016. Mr. Bhopinder Chopra was co-opted as the member of the Stakeholders' Relationship Committee in place of Mrs. Ramabai V. Dhoot w.e.f. 29<sup>th</sup> February, 2016.
- Resignation of Maj. Gen. S. C. N. Jatar w.e.f. 14<sup>th</sup> May, 2016. Mr. Subhash Dayama was co-opted as the Chairman of the Stakeholders' Relationship Committee in place of Maj. Gen. S. C. N. Jatar w.e.f. 14<sup>th</sup> May, 2016.

### Meetings and Attendance:

During the financial period under review, 9 meetings were held on the following dates 29.02.2016, 14.05.2016, 30.06.2016, 13.08.2016, 11.11.2016, 29.12.2016, 21.01.2017, 08.02.2017 and 21.03.2017

Name	Meetings Attended*
Maj. Gen. SCN Jatar (upto 14.05.2016)	1
Mr. Subhash Dayama	7
Mr. Bhopinder Chopra	1
Mr. Radheyshyam Agarwal	9

### Compliance Officer:

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

### Scope of the Committee:

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

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

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

### Share Transfer Details:

The number of Shares transferred during the period under review:

Sr. No.	Particulars	Equity
a)	Number of Transfers	352
b)	Average No. of Transfers per Month	23.47
c)	Number of Shares Transferred	5,063

### Demat/Remat of Shares:

Sr. No.	Particulars	Equity
a)	Number of Demat Requests approved	1634
b)	Number of Sub-committee Meetings held	52
c)	Number of Shares Dematerialized	21,047
d)	Percentage of Shares Dematerialized	0.01
e)	Number of Rematerialization Requests approved	5
f)	Number of Shares Rematerialized	113

**Details of complaints received and redressed during the period ended 31<sup>st</sup> March, 2017:**

There was one pending complaint at the beginning of the period. The Company received 847 complaints during the period under review. 847 were redressed to the satisfaction of the shareholders. However, there was 1 pending complaint in respect of which the Registrar has sent interim response to the Investor.

**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 as on 31<sup>st</sup> March, 2017:**

Name	Designation	Category
Mr. Radheyshyam Agarwal	Chairman	Independent
Mr. Subhash Dayama	Member	Independent
Mr. Bhopinder Chopra	Member	Independent

**Meeting and Attendance**

Two meetings were held on 29.02.2016 and 14.05.2016. Both the meetings were attended by Mr. Radheyshyam Agarwal. Maj. Gen. S. C. N. Jatar and Mr. Bhopinder Chopra attended one meeting each dated 29.02.2016 and 14.05.2016 respectively.

**5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):****Composition of the Committee as on 31<sup>st</sup> March, 2017:**

Name	Designation	Category
Mr. Venugopal N. Dhoot	Chairman	Promoter, Executive
Mr. Radheyshyam Agarwal	Member	Independent
Mr. Bhopinder Chopra	Member	Independent

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

**Meeting and Attendance**

No meeting of Committee was held during the financial period under review.

**6. FINANCE AND GENERAL AFFAIRS COMMITTEE:****Composition of the Committee as on 31<sup>st</sup> March, 2017:**

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

During the period under review, there was a change in the composition of Finance And General Affairs Committee as under due to:

- i) Vacation of office of Mrs. Ramabai V. Dhoot on 29<sup>th</sup> February, 2016. Mr. Bhopinder Chopra was co-opted as the member of the Stakeholders' Relationship Committee in place of Mrs. Ramabai V. Dhoot w.e.f. 29<sup>th</sup> February, 2016.
- ii) Resignation of Maj. Gen. S. C. N. Jatar w.e.f. 14<sup>th</sup> May, 2016. Mr. Subhash Dayama was co-opted as the Chairman of the Stakeholders' Relationship Committee in place of Maj. Gen. S. C. N. Jatar w.e.f. 14<sup>th</sup> May, 2016.

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

**Meeting and Attendance:**

During the financial period under review, the Committee met thirty one times.

Name	Meetings Attended
Mr. Venugopal N. Dhoot	31
Mr. Radheyshyam Agarwal	31
Mr. Bhopinder Chopra (from 30.01.2016)	4

**Terms of reference and Scope of the Committee:**

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

**7. RE-ORGANIZATION COMMITTEE:****Composition of the Committee as on 31<sup>st</sup> March, 2017:**

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

**Meeting and attendance-**

No meeting was held during the period 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 to the operation of each of its diverse businesses, enhanced value for shareholders and improvement in the business prospects of the Company. The said Committee have the powers to engage and appoint legal, tax, financial and other consultants to advise and assist it in the above said matter and do all such acts, deeds and things, as may be required.

**GENERAL BODY MEETINGS**

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

AGM	Date	Location	Time	Special Resolution Passed
24 <sup>th</sup>	28 <sup>th</sup> December, 2013	14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad-431 105	11.30 am	1 (One)
25 <sup>th</sup>	27 <sup>th</sup> June, 2015	14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad-431 105	10:00 am	1 (One)
26 <sup>th</sup>	27 <sup>th</sup> June, 2016	14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad-431 105	11.30 am	1 (One)

**• Postal Ballot**

No special resolution was passed through postal ballot during the financial period 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**

No Extraordinary General Meeting was held during the period under review.

**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 Regulations, the reports, statements, documents, filings and any other information is



electronically submitted to the recognized stock exchanges, through [www.listing.bseindia.com](http://www.listing.bseindia.com) and [www.connect2nse.com](http://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](http://www.videoconworld.com).

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

### GENERAL SHAREHOLDER INFORMATION

#### ANNUAL GENERAL MEETING:

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

Day	Friday
Date	22 <sup>nd</sup> December, 2017
Time	11.00 a.m.
Venue	At the Registered Office: 14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka: Paithan Dist.: Aurangabad - 431 105 (Maharashtra)

#### FINANCIAL CALENDER FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018:

The financial calendar (tentative) shall be as under:

Financial Year	1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018
First Quarterly Results	On or before 14 <sup>th</sup> September, 2017*
Second Quarterly Results	On or before 14 <sup>th</sup> December, 2017*
Third Quarterly Results	On or before 14 <sup>th</sup> February, 2018
Fourth Quarterly Results	On or before 30 <sup>th</sup> May, 2018
Annual General Meeting for year ending 31 <sup>st</sup> March, 2018	On or before 30 <sup>th</sup> September, 2018

\* In view of the Circular Ref. No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016, issued by Securities and Exchange Board of India, the Un-audited Financial Results may be considered on or before 14<sup>th</sup> September, 2017 and 14<sup>th</sup> December, 2018 respectively, in relation to the revised formats for financial results and implementation of Ind-AS by Listed Entities.

#### DATE OF BOOKCLOSURE:

The date of Book Closure for the purpose of Annual General Meeting shall be from Friday, 15<sup>th</sup> December, 2017 to Friday, 22<sup>nd</sup> December, 2017 (both days inclusive).

#### LISTING ON STOCK EXCHANGES AND STOCK CODE:

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

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

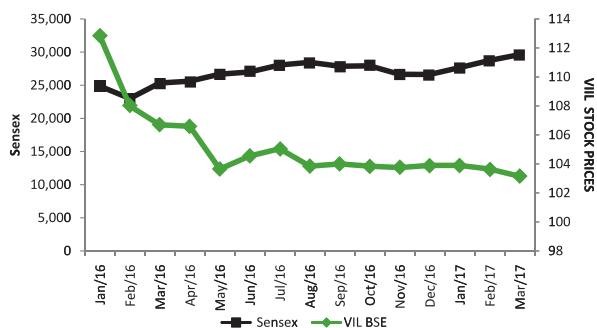
The Company has paid listing fees for the period 2016-2017 to both the Stock Exchanges and the Custodial Fees for the year 2016-2017 to National Securities Depository Limited and Central Depository Services (India) Limited.

#### MARKET PRICE DATA:

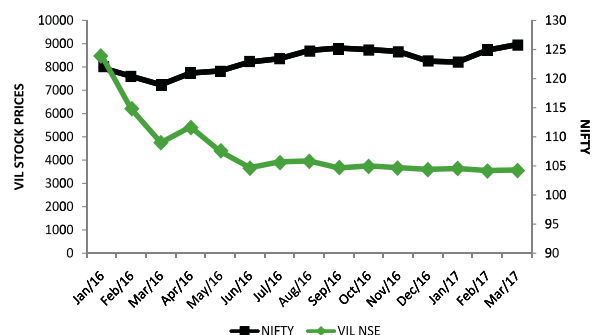
Average monthly high and Low prices at BSE and NSE are given below:

Month	BSE		NSE	
	High	Low	High	Low
January-16	123.85	107.00	124.90	107.45
February-16	113.30	104.35	114.80	104.45
March-16	128.00	104.65	127.90	105.00
April-16	113.00	105.60	111.70	105.55
May-16	107.50	99.00	107.50	98.75
June-16	108.40	100.00	108.50	99.00
July-16	111.35	101.00	111.95	100.50
August-16	109.00	102.10	106.90	103.10
September-16	106.00	102.60	106.35	103.05
October-16	114.90	102.80	115.00	102.30
November-16	109.00	95.00	109.00	94.95
December-16	107.00	100.20	106.75	103.00
January-17	109.30	103.00	109.35	103.50
February-17	105.95	101.25	105.00	102.80
March-17	110.00	102.50	110.00	102.20

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



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



#### REGISTRAR AND SHARE TRANSFER AGENT:

MCS Share Transfer Agent Limited

002, Ground Floor,  
KashiramJamnadas 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](mailto:mcssta.mumbai@gmail.com)

#### SHARE TRANSFER SYSTEM:

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

• **DISTRIBUTION OF SHAREHOLDING:**

**A) Shareholding Pattern as on 31<sup>st</sup> March, 2017:**

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a percentage of (A+B+C)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>			
(1)	Indian	37	220,876,711	66.04
(2)	Foreign	-	-	
	<b>Sub-Total (A)</b>	37	220,876,711	66.04
<b>(B)</b>	<b>Public Shareholding</b>			
(1)	Institutions	164	38,605,296	11.54
(2)	Non-Institutions			
	-Bodies Corporate	1,471	23,850,976	7.13
	-Individuals	294,769	12,286,610	3.67
	-Others	17	38,839,282	11.62
	<b>Sub-Total (B)</b>	<b>296,421</b>	<b>113,582,164</b>	<b>33.96</b>
	<b>TOTAL (A) + (B)</b>	<b>296,458</b>	<b>334,458,875</b>	<b>100.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against which depository Receipt have been issued</b>			
(1)	Promoter and Promoter Group			
(2)	Public	-	-	-
	<b>Sub-total (C)</b>	-	-	-
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>296,458</b>	<b>334,458,875</b>	<b>100.00</b>

**B) Distribution of Shareholding as on 31<sup>st</sup> March, 2017:**

Shareholding of Nominal Value	Number of Shareholders	% to the total number of shareholders	No. of Shares	Amount in ₹	% to Total value of Capital
Up to 5,000	293,499	99.00	5,698,677	56,986,770	1.70
5001 to 10000	1,495	0.50	1,154,921	11,549,210	0.35
10001 to 20000	676	0.23	995,936	9,959,360	0.30
20001 to 30000	237	0.08	606,082	6,060,820	0.18
30001 to 40000	98	0.03	347,965	3,479,650	0.10
40001 to 50000	79	0.03	365,816	3,658,160	0.11
50001 to 100000	129	0.04	932,696	9,326,960	0.28
100001 and above	245	0.08	324,356,782	3,243,567,820	96.98
<b>Total</b>	<b>296,458</b>	<b>100.00</b>	<b>334,458,875</b>	<b>3,344,588,750</b>	<b>100.00</b>

• **DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

The Company's Equity Shares are under compulsory demat trading by all categories of investors. As on 31<sup>st</sup> March, 2017, 332,767,520 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 (31<sup>ST</sup> MARCH, 2017):**

The details of outstanding FCCBs (issued on 30<sup>th</sup> 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 31 <sup>st</sup> March, 2017	-
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 31 <sup>st</sup> March, 2017	USD 75,200,000
5	Underlying equity shares which may be issued upon conversion of FCCBs as referred in S. No. 4 hereinabove.	36,917,348



## 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 period 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 period ended 31st March, 2017 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 March, 2017, 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 Share Transfer Agent of the Company:

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

##### • **PERMANENT ACCOUNTNUMBER:**

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 Section 109A of the Companies Act, 1956, to the Company's Registrar and Share 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 period ended on 31<sup>st</sup> March, 2017 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**

Place : Mumbai  
Date : 24<sup>th</sup> November, 2017

**CHAIRMAN, MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER**

• **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 Listing 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 period ended on 31<sup>st</sup> March, 2017, 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 Y. KARKHANIS**  
*Partner*  
Membership No. 108336  
Place : Mumbai  
Date : 24<sup>th</sup> November, 2017

**U. S. KADAM**  
*Partner*  
Membership No. 31055

## 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 & CHIEF EXECUTIVE OFFICER**

Place : Mumbai  
Date : 24<sup>th</sup> November, 2017

## 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

With the continuous inflow of disposable income and the advancement of technology, the need for the varied consumer durable goods are increasing. This in-turn is leading to a strong competition among the different consumer durable brands available in the market (domestic and international brand) as the price gap between the same consumer goods of different companies are narrowing down. The sector comprises of three segments viz., white goods, brown goods and consumer electronics.

Consumer durables' is one of the fastest growing industry segments in India. White goods refer to goods 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.

With an affluent middle class and the country's economic growth being on a rapid track, the consumer electronics industry has never before witnessed such amazing growth. With the Internet of Things (IoT) becoming a way of life, smaller, real-world devices such as home appliances, sensors, consumer electronic devices, etc. are getting connected to the Internet. IoT is bringing billions of things into the digital fold, which will make the IoT a growing industry in India.

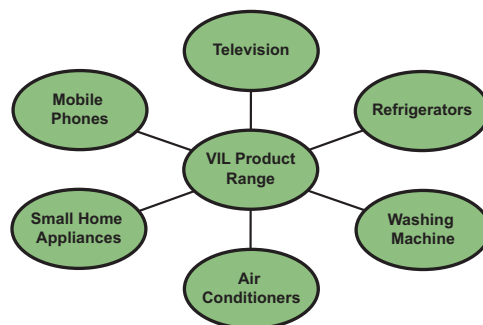
About two-thirds of India's consumer durables are currently sold in urban markets. The most popular consumer electronic good is Color Television; Electric Fans and Air Conditioners are popular due to India's hot climate. Other top consumer durables include Refrigerators and Washing Machines. Your Company continues to bring 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. The intense focus on innovation, along with a commitment to quality and service excellence, keep your company poised to perform beyond expectations in the hyper-competitive consumer durables sector.

### VIDEOCON - CONSUMER ELECTRONICS AND HOME APPLIANCES SEGMENT

The Company is engaged in the manufacture and trading of consumer electronics and home appliances items and is a part of a large conglomerate with diversified business interests. Its segments include Consumer Electronics and Home Appliances; Crude Oil and Natural Gas; Telecommunications; Power and Insurance.

Televisions include features such as Windows Television; Digital Direct Broadcast; Smart Television; Wireless display technologies; Liquid luminous display; 4K Ultra high definition; Motion sensing gaming; Home cloud; two-dimensional to three-dimensional (3D) conversion and 3D Image Processing; and Welcome series and Curve Television. It also offers products such as Air Conditioners (ACs) which include Split AC and Aryabot AC; Refrigerators, which include direct cool and frost free; Washing Machines, which include semi-automatic and fully automatic top loading, Mobiles and Tablets.

The growth of the disposable incomes and the aspirational levels of the Indian consumer are the two major factors to which the growth of the Company is intimately tied with. 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:

Smart TVs have been witnessing a healthy growth rate in India. With middle class growing along with higher disposable income and fuelled by lower prices as compared to two to three years ago, the demand for Smart TVs has risen drastically over the years. The contribution of smart TVs to overall sales has gone up significantly over last year and the share of small TVs is expected to move up. Also with increasing innovation and technological improvements in the consumer electronics industry, the cost of Smart TVs is expected to see a downward trend in future as well. Factoring these, we can say that Smart TVs are well on their way to become one of the preferred mainstream products in India.

With BEE ratings becoming mandatory for Flat Panel Display segment, it is expected to bring energy efficiency into focus for the television sets. As far as viewing experience is concerned, most of the Smart TVs whether 4K TV's or HDR are available in large screens format only. Thus, magnifying the experience immensely. Growing penetration of internet services and expanding internet consumer base is expected to drive the market over the next few years. In addition, market leaders have been investing in smart TV technology in order to gain competitive advantage. The technology transition from internet TVs to smart TVs that provide convergent services is also expected to result in favorable market conditions.

Smart TV could play an important part in the overall Smart city initiative of the Government. Being embedded in the government systems, it can be an important element of the Information & Communication Technologies (ICT). TVs equipped with technologically advanced and smart features can support the initiative by enabling users to keep a watch on the streets for suspicious activities or to warn people who litter the streets. Smart TVs could also download important announcements/videos which could be circulated by the municipal and governing bodies of various regions.

Some of the many advanced features of Videocon's high-end TVs include:

- 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 colors.
- 4K Ultra HD:** Such LED screens use up to 8.3 million pixels for giving best in class display with crystal clear picture.
- Motion sensing gaming:** This lets users enjoy games in the TV with motion controllers for greater involvement and excitement.
- Home cloud:** Gives wireless access and enables streaming of content from any of their other devices.
- 2D to 3D conversion:** Facilitates creation of 3D compatible content from 2D content.
- 3D Image Processing:** Displays 3D visuals for a more immersive feel.
- 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.
- 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.
- Smart TV:** It has 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:

Rising household income, improving living standards, rapid urbanization, increasing number of nuclear families, large untapped market and environmental changes are major growth drivers for the refrigerator industry. Refrigerator market in India is one of the fastest growing segments of the consumer durable industry. Refrigerator has become an indispensable item of every household. Moreover, due to the hot and humid weather conditions in the country, the necessity of the product has increased manifolds.

The efforts of players to offer affordable and eco-friendly variants and strategies to penetrate into smaller towns are acting as a driving force for the industry. Further, rising per capita income, increasing role of the government to support FDI in India and easy availability of financing will also drive the industry. 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 refrigerator by those who would not be able to use one earlier.

Besides magical synthesis of design and performance, your refrigerators are compact outside and roomy inside. Entirely new range of High Efficiency Titanium Series FF refrigerators having capacity 250L, 280L & 330L are launched this year with New Look as It is not just a Freezer It is a Deep Freezer with unmatched cooling efficiency of -30°C. Videocon'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. India's most energy efficient, certified by Government of India.
2. Titanium Series "The future of Refrigerators" with digital control Panel.
3. Varied power rating to suit electricity consumption tolerance, with upto 5 star rating.
4. Corner cooling: Enhances cooling to keep the temperature consistent within the compartment, even at the corners.
5. Freezer LED: Unique LED arrangement to lighten up the freezer and other compartments better.
6. Highly durable compressor with a 10 year warranty.
7. Humidity control that can be customized to the type of material that you intend to store.
8. Photosis fresh: Optics technology that helps to keep the fruits and vegetables breathing inside the refrigerator.
9. Active air-flow: Keeps good air-flow within the compartment to keep the food fresh.
10. Wine rack: These help to keep the beverage bottles conveniently.
11. Cosmetics box where make-up items can be kept cool to prevent spoilage in summer.
12. Odour filter that helps keep bad smells at bay.
13. A separate large bottle zone kept at a greater height for convenience.
14. Cool booster pack with a lower melting point than ice, which keeps items in freezer from spoiling in case of power outage.
15. Toughened glass which can take the load of heavier utensils easily, crafted to also avoid spillage.
16. Chiller tray with bottle storage for beverages best served chilled.
17. PCM finish doors with high gloss and shine or designer patterns such as floral decorations for greater aesthetic appeal.
18. The high end SBS models also come with LCD display, mirror and anti-bacteria filter.

#### Washing Machines:

Growing disposable income and easy financing options have led to shortened replacement cycles whereas rising influence of modern lifestyle has perceived products such as washing machines as utility items rather than luxury goods. Penetration of washing machines is expected to increase in the coming years with sales from rural India. Demand for washing machines goes up during monsoons and there is a greater need among urban and metro consumers to upgrade their machines from time to time. Your Company continues to take up numerous projects to improve and innovate the existing line up in a big way.

In the current scenario washing machines are no more a privilege. It has become an essential item in every house making the practice of washing clothes more intelligent, personalised and time saving. Also, the washing machines now-a-days are given an aesthetic touch that makes them look stylish trendy and user friendly. It has contributed significantly to automate household chores. The dependence on technology has increased considerably during the years. Thought process of people in direction of having a better lifestyle is facilitating trade and commerce. The washing machine has become a necessity in the daily lives of the people. The demand has been increasing in India due to increasing availability of new innovative models in the market. It is no longer a luxury product but a utilitarian product. The market is flooded with numerous leading electronics brands presenting a huge variety of models to choose from. It is available from a normal large-sized look to more portable and stylish look such as top loading, front loading, fully automatic and semi-automatic. New innovative washing machines include Bluetooth technology and a messaging feature through which it can receive recommendations and control settings even when the user is away from home.

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. Videocon was the 1st company in India to initiate the concept of washing machines. Launched Washing Machine in the year 1986 in Semi-Automatic Category. Thereafter, it has expanded in the following categories: - Fully Automatic, Top loading, Front loading, with presence across all segments ranging from 5.5 Kg to 10Kg.

As in the other categories, Videocon 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. Technologically advanced DigiOne Washing Machine 7.5 kg with no knobs and buttons and has a Touch screen Panel.
2. Classic range of Careen Elite Series from 6.5kg to 7.0 kg is the slimmest Front Load fully automatic Washing Machine.
3. Upgraded range of Digi Zara Series from 7.0 kg to 8.0 kg is the Designer Slim series of Semi-Automatic Washing Machines with a 4 wash Program, Auto soak feature, High Gloss Top Look and Pentafin Pulsator.
4. 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.
5. 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.
6. Child lock: Prevents children from tampering with the set wash cycle.
7. Multiple water levels help control the amount of water used.
8. In-built heater: Heats the water ensuring that fabrics are washed gently in warm water and are cleaned better.
9. Display panels: Provides various displays to keep track of the status of the washing in one glance.
10. Auto-error detection: Detects errors such as no water inlet, drain blockage, imbalance etc.
11. Designer metal body and Designer lid
12. Option of rust free plastic tub or metal diamond tub with diamond shaped protrusions for better cleaning
13. Air dry to blow air into the tub during spin to dry the clothes post rinse
14. Multiple wash programs suited to various garments
15. Sound indicator to announce washing complete

#### Air Conditioner:

In the current scenario Air conditioners are no more a privilege. It has become an essential item in every house. High income growth and rising demand for split ACs are the key growth drivers. High summer temperatures in the north and high humidity levels in the west and south are driving this growth, along with rapid increase in disposable incomes.



Consumers have developed a preference for energy efficient models – 5 Star and Inverter ACs. Customers with existing window ACs find it easier to replace their units with window ACs than with other types. They are also easier to install. BEE's star labelling norms have become more stringent. Models rated four-star earlier have become three-star and so on.

The market of air conditioners in India has been on a steady growth ever since, apart from certain exceptions. The perception of people towards the category of this product has witnessed a paradigm shift over the years from a luxury product to becoming a necessity in hot humid weather conditions of India. Increasing demand by the residential sector owing to reduction in prices has instigated the manufacturers to aim for a higher market share in the highly potential market of air conditioners in India. The demand from the commercial segment is catching up fast with the increasing number of commercial offices, stores and business apartments being set up, as compared to the demand from the residential segment. 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.

The air conditioner market is poised for greater growth over next five years. Increasing disposable income, rising weather temperature, falling prices of air conditioners coupled with the latest technological innovations increasing the cooling efficiency and the increasing commercialization of the economy are the factors which are driving air conditioners market in India. 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. Hybrid Solar AC is a step forward towards innovation. In a bid to conserve energy and focus on using natural sources of energy, Videocon has launched the Hybrid Solar ACs that utilizes solar energy to run the AC.

Also, 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 consumer 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 Videocon too have interesting features such as:

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

**Videocon Hybrid Solar AC:**

1. Hybrid Solar AC is a step forward towards innovation
2. In a bid to conserve energy and focus on using natural sources of energy, Videocon has launched the Hybrid Solar ACs that utilizes solar energy to run the AC
3. The ACs are highly energy efficient
4. It utilizes the energy from both Conventional grid and Solar power
5. USPs of the product
  - Videocon Hybrid Solar AC is powered by Solar energy, hence there could be savings up to 100%

- ✓ Solar energy is a truly renewable energy source. It can be harnessed in all areas of the world and is available everyday
- ✓ Doesn't contribute to Green House Effect thus is very friendly to the environment
- AC doesn't require a lot of maintenance. Cleaning them a couple of times per year will do the job
  - ✓ Low wear and tear
- Videocon's Hybrid Solar AC provides efficient cooling without any fluctuations as fewer load on grid
- Videocon provides the most reliable solar panel that comes with 25 years' of linear power output warranty and 10 year panel warranty
- Other features of the product; -
  - ✓ R-4 10A Refrigerant
  - ✓ Copper Condenser
  - ✓ Vitamin C Filter
  - ✓ Titanium Dioxide Filter
  - ✓ Gold Fin Evaporator
  - ✓ Gold Fin Condenser
  - ✓ LCD Remote
  - ✓ Digital Display
  - ✓ Auto Restart
  - ✓ On/off Timer
  - ✓ Dehumidification
  - ✓ Auto Air Swing
  - ✓ Turbo Cool Mode

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

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

**Small Home Appliances:**

With customer centricity, the company focuses to deliver high quality products, making it a brand you can trust. Products are long-lasting and save your time and effort for many years. The Company's appliances for cooking include microwave ovens, Oxy fryers, induction cooktops, toaster, sandwich maker, rice cooker and electric kettles. With a wide range of products with international look, feel and aesthetics, your company introduces every household in India to a world-class lifestyle. 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 cooktops have anti-magnetic glass plates and vessel auto detect functions.
4. Air fryers under the sub brand OxyFryer 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. These cook rice.
8. Sandwich makers have detachable plates and skid resistant feet. They help make sandwiches.
9. Water heaters have high energy efficiency, decorative designs and robust metal bodies.

- Irons have adjustable temperature knobs, non-stick plates and optional steam functions.

#### Mobile Phones:

The range of Tablets & Smartphone are a perfect combination of technology & style which gives you a host of technologically advanced features and access to thousands of applications that runs on super fast processors, latest Android technology and much more. That's not all with Videocon Mobiles, you will never miss on the fun with powerful battery support & due to their light weight they will be easy on your hands with effortless experience. 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. Videocon Mobile Phones, with an aim to create a better world has got a presence worldwide especially because of its uncompromising and loyalty towards its customers across the globe. Currently, the company's high end mobile phones have many attractive features including:

- Krypton 30, the slimmest and stylish smart phone with latest Android 7.0 Nougat.
- Cube 3 with Android Marshmallow, IPS Display and Smart Gesture support.
- 4G VoLTE- All Videocon smartphones manufactured currently are 4G and VoLTE enabled. Videocon was one of the first companies to provide 4G VoLTE devices in India.
- Powerful octa-core processors and large battery with up to 3000 mAh capacity.
- 13 MP (mega pixel) camera with advanced features like CMOS sensor, face-detection, panorama, smile shutter, auto focus and geo tagging.
- 5 inch HD screen with Dragontrail X Glass IPS display.
- Dual sim card support with 4G network connectivity.
- 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 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 per cent Foreign Direct Investment (FDI) in many segments of the sector, including natural gas, petroleum products, and refineries, among others.

#### OIL & GAS – SEGMENT OF VIDEOCON

The Company has established its presence in Oil and Gas business, India and Overseas, directly and through its subsidiaries/joint ventures. The interest in the domestic Ravva block is directly held by Videocon Industries Limited while the Participating Interest in the overseas oil and gas assets is held through subsidiaries/joint ventures. In case of the Brazil assets, the Participating Interest is held by a company named IBV Brazil Petroleo Limitada, which is a 50:50 JV of Videocon Energy Brazil Limited (a 100% subsidiary of VHHL) and Bharat Petro Resources Ltd ("BPRL", a wholly-owned subsidiary of BPCL).

#### Domestic Asset

Videocon has a participating interest of 25% in the Ravva block. Cairn India Ltd. is the operator of the block.

#### Overseas Assets

Videocon through its subsidiaries has participating interest in 8 overseas oil & gas blocks, of which 7 are in Brazil and one in Indonesia. Over the years, Videocon has also acquired technical capabilities for prospecting and playing an effective supporting role for development of its oil and gas assets. Videocon has partnered with leading international oil and gas companies like Anadarko, one of the world's largest independent E&P companies in Campos Basin in Brazil, PT Pertamina in Indonesia while it has partnered with Petrobras (the National Oil Company of Brazil) in the Sergipe Basin containing the Barra, Farfan & Cumbe Discoveries. These blocks are estimated to hold significant oil and gas reserves and major discoveries have been announced.

#### Assets in Brazil

##### i) BM SEAL-11 Concession

The BM-SEAL-11 Concession comprises of four (4) ultra-deepwater blocks viz. SEAL-M-426, SEAL-M-349, SEAL-M-497 and SEAL-M-569, in northeastern Brazil located in the Sergipe-Alagoas basin. Petrobras is the operator of the concession. The group holds 20% PI in the concession via IBV Brazil Petroleo Limitada, a 50-50 JV Company with Bharat PetroResources Ltd. (BPRL) - a wholly owned subsidiary of Bharat Petroleum Corporation Ltd. (BPCL). There have been major hydrocarbon discoveries in the BM-SEAL-11 concession.

##### ii) BMC-30 Concession

The BMC-30 Concession in the Campos Basin is located offshore to the Rio de Janeiro and Espirito Santo States. Wahoo is a major oil discovery made in this concession. Anadarko, one of the world's largest independent E&P company, is the operator of this Concession and the group has 12.50% Participating Interest (PI) in the concession which is held through IBV Brazil Petroleo Limitada, a 50-50 JV Company with BPRL.

##### iii) BM-POT-16 Potiguar Basin Concession

Videocon has participating interest in two blocks in Potiguar Basin Concession

#### Assets in Indonesia

The Nunukan block in Indonesia is located in the Tarakan Basin on the continental shelf of northeast Kalimantan, which is around 450 km north of the prolific oil & gas producing Kutei Basin. PT Pertamina (PHENC), the national oil company of Indonesia, is the operator. Videocon Indonesia Nunukan Inc. (VINI), a wholly owned step - down subsidiary of Videocon owns 23% PI in the Nunukan block in Tarakan Basin, Indonesia.

#### OPPORTUNITIES AND THREATS

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

#### Opportunities: Consumer Electronics & Home Appliances Sector

- In India, penetration level of white goods is lower as compared to other developing countries.
- Urban penetration has been pretty high for the entire sector.
- Growth potential lies in rural and semi-urban areas, fueling industry growth through first-time sales. Currently, rural areas contribute 10% of sales. There is a strong need to create demand.
- Rising demands, flexible investment options, incentives from the Government – the time is ripe for the consumer durable industry
- A strong opportunity for foreign players is to employ Indians as their local staff, who can overcome language and cultural barriers and connect with the masses better.
- Increase in emerging market demand and rise of global middle class** – With the rapid development taking place in the global economy, the size of the global middle class is expected to increase three fold by 2030. Thus a lot of potential customers could be tapped in this market leading to improvement in sales and revenue.
- Development of new marketing channels and rising impact of social media** – The world is now resembled to as "A Global Village", the development of the communication channel and the rise of Information, Communication and Technology Industry, a rise in media across the world is seen. Number of people with internet access has increased drastically and it has thus created a new opportunity for companies to position/market their products in a better way using improved and more efficient marketing channels. Social media too is playing vital role in shaping the position of the product.
- CSR and eco-friendly green technology used as Competitive differentiation** – The mandatory environment regulations and CSR imposed on companies in a way turned out to be a differentiation factor. Almost 75% companies in the consumer product sector consider CSR "as a must" and this has improved on their sales.
- Multichannel approach** – Growth of mediums such as e-commerce and m-commerce has provided retailers to stay in touch with consumers via various mediums and thus increase on their sales by constant promotion of products.
- New products and services** – Dynamic consumer behaviour demands different products. Thus, continuous R&D and Innovation, has resulted in development of different products and services and thus can be a driver for improved sales and growth for the company.

- **Supply chain management** – Supply Chain has always been one of the key factors which shape the growth of any industry especially the retail, consumer goods and healthcare. Efficient supply chain management presents retailers with a significant opportunity to reduce inefficiencies while competing on cost. Companies are also diversifying region wise to procure the raw materials from low cost regions which is considered as credit positive most of the times.

#### 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 specialise in import and rebranding, the consumer has 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

- Additional exploration over and above proposed development in Brazil and Indonesia to further augment petroleum reserve base.
- 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

- Long gestation period of development and production of oil and gas projects in deep water;
- Increased competition could adversely affect the expansion plans by limiting the number of new exploration blocks.
- 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.

### RISK & CONCERNS

#### Risks relating to Consumer Electronics & Home Appliances Business:

- **Low-growth consumer markets** – Despite favorable conditions developing in the global economy after recession of last three years, risk remains significant due to the significant after effects of the recession which led to a shift in low-demand growth environment and thus low growth condition prevails.
- **Rising cost and input prices** – Rising input prices such as the selling, general & administrative expense along with the cost of goods sold is difficult to control and thus a reduction in profit margin is seen. Despite the fact that the consumer products companies in most cases are able to pass on the cost to the consumers but the same is not likely seen during the downturn when a lag effect of few quarters is seen when the earnings of the companies gets pressurized.

- **Disruptions in supply chain** – The supply chain disruptions in both the developed world and in emerging markets majorly affected the sales.
- **Hindrance in penetrating emerging markets due to local competition** – For companies operating in foreign market, it is very important to have a critical mass in terms of stores and revenues so as to operate successfully in emerging markets. Absence of such pre-requisites leads to inability to penetrate in new emerging market. Also the competition from Local retailers makes it difficult for companies to operate in such markets.
- **Inability to respond to dynamic consumer behavior** – The recent recession has completely changed the consumer spending pattern and also a major shift in consumer behavior is seen. Cut back on lavish and impulsive shopping behavior and increased used of discount coupons, price comparison etc. were seen as some of the major trends in consumer's behavior. This sudden change in behavior is not in line with the pre-recession consumption trends and thus it becomes difficult for companies to cope up with such changes.
- **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.
- **Risk from sourcing of materials** – In a globalized market where raw materials for a specific product is procured from different locations across the world, location specific risks has impacted largely on costs, profitability and market position. Also the taxation related risks, and risk of employee, turmoil which has been seen with more diversification in emerging markets has been one of the important factor adding to the risk for the industry.
- **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.
- **Talent management:** If high quality talent is not recruited and retained, then the competitiveness of the company in its managerial effectiveness may be threatened.

#### Risks relating to oil and gas business

- The oil and gas industry is extremely competitive and we may not be successful when tendering for further exploration blocks.
- We are exposed to the Government of India in respect of sales of oil and gas.
- Exploration and production of oil in deep waters involves risk.

### INTERNAL CONTROL SYSTEMS AND ACCURACY

Internal control is all of the policies and procedures management uses to achieve the following goals.

- Safeguard assets - well designed internal controls protect assets from accidental loss or loss from fraud.
- Ensure the reliability and integrity of financial information - Internal controls ensure that management has accurate, timely and complete information, including accounting records, in order to plan, monitor and report business operations.
- Ensure compliance - Internal controls help to ensure that company is in compliance with the many federal, state and local laws and regulations affecting the operations of our business.
- Promote efficient and effective operations - Internal controls provide an environment in which managers and staff can maximize the efficiency and effectiveness of their operations.
- Accomplishment of goals and objectives - Internal controls system provide a mechanism for management to monitor the achievement of operational goals and objectives.

#### Internal Control Activities and Best Practices

Internal control activities are the policies and procedures as well as the daily activities that occur within an internal control system. A good internal control system should include the control activities listed below. These activities generally fit into two types of activities.

1. **Preventive:** Preventive control activities aim to deter the instance of errors or fraud. Preventive activities include thorough documentation and authorization practices. Preventive control activities prevent undesirable "activities" from happening, thus require well thought out processes and risk identification.

2. **Detective:** Detective control activities identify undesirable “occurrences” after the fact. The most obvious detective control activity is reconciliation.

#### Other Internal Control Best Practices

With a good internal control system in place, other considerations to keep in mind include:

Regularly communicate updates and reminders of policies and procedures to staff through emails, staff meetings and other communication methods.

Periodically assess risks and the level of internal control required to protect organization assets and records related to those risks. Document the process for review, including when it will take place.

Management is responsible for making sure that all staff are familiar with company policies and changes in those policies.

#### SEGMENT-WISE PERFORMANCE

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

(₹ in Million)

Segment	15 months Period ended on 31 <sup>st</sup> March 2017	Year ended on 31 <sup>st</sup> December 2015
Consumer Electronics and Home Appliances	123,512.37	120,999.62
Crude Oil and Natural Gas	6,204.97	7,893.77
Telecommunication	8,846.85	10,991.29
Others	5,327.82	3,059.58
<b>Total</b>	<b>143,892.01</b>	<b>142,944.26</b>

#### 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 March, 2017 was ₹132,048.25 Million and the net block as on that date was ₹ 49,939.04 Million. During the period ended 31st March, 2017 there were additions to the gross block of fixed assets amounting to ₹ 2,483.62 Million.

##### Income

##### Revenue from Operations

During the 15 months period ended 31st March, 2017, the Company achieved gross Revenue from Operations of ₹ 129,753.20 Million as against ₹ 129,090.48 Million for the year ended 31st December, 2015.

##### Other Income

Other income for the 15 months period ended 31st March, 2017 amounted to ₹ 4,991.99 Million as against ₹ 8,443.33 Million for the year ended 31st December, 2015. 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 15 months period ended 31st March, 2017, Cost of Goods Consumed/ Sold stood at ₹ 87,551.69 Million as against ₹ 80,861.33 Million for the year ended 31st December, 2015.

##### Production and Exploration Expenses for Oil and Gas

During the 15 months period ended 31st March, 2017, the production and exploration expenses for oil and gas were ₹ 4,072.89 Million as against ₹ 4,991.03 Million for the year ended 31st December, 2015.

##### Employee Benefits Expense

During the 15 months period ended 31st March, 2017, the employee benefits expense stood at ₹ 3,757.07 Million as against ₹ 2,834.32 Million for the year ended 31st December, 2015.

##### Other Expenses

During the 15 months period ended 31st March, 2017, the other expenses were ₹ 17,143.60 Million as against ₹ 13,844.09 Million for the year ended 31st December, 2015.

##### Finance Costs

For the 15 months period ended 31st March, 2017, Finance costs amounted to ₹ 30,977.34 Million as against ₹ 23,684.59 Million for the year ended 31st December, 2015.

#### Depreciation and Amortisation

Depreciation for the 15 months period ended 31st March, 2017 amounted to ₹ 7,315.23 Million as against ₹ 7,017.14 Million for the year ended 31st December, 2015.

#### Loss Before Tax

The loss before tax stood at ₹ 22,531.82 Million for the 15 months period ended 31st March, 2017, as against loss of ₹ 607.04 Million for the year ended 31st December, 2015.

#### Tax Expense

Tax Expense includes Provision for Current Tax, MAT Credit Entitlement and Deferred Tax. For the 15 months period ended 31st March, 2017, the tax expense amounted to ₹ (3,375.07) Million as against ₹ (48.99) Million for the year ended 31st December, 2015.

#### Net Loss

Net loss for the period ended 31st March, 2017, is ₹ 19,156.75 Million as against net loss of ₹ 558.05 Million for the year ended 31st December, 2015.

#### 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, including workmen, for the financial period ended 31st March, 2017, is around 5,770.

Industrial relations remained cordial during the period under review.

#### OUTLOOK

The medium to long term, the view is positive, giving the rise in affordability levels (combination of increasing disposable incomes and the trend of reducing prices), and the existing low household penetration base for consumer durables. The growth prospects for individual items would, however, depend on specific demand drivers. 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 Company focuses on Ingenious Strategy, Improved Technology, Innovative Products, Inspired Thinking and Insightful Marketing. Company focuses on Customer and his needs and is committed to delight and deliver beyond what is expected.

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 doesn't guarantee future performance and are subject to known and unknown risks, uncertainties and other factors such as change in the government regulations, tax laws, economic conditions and other incidental factors.*



## BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L99999MH1986PLC103624
2.	Name of the Company	Videocon Industries Limited
3.	Registered address	14. K.M Stone, Aurangabad Paithan Road, Village Chittegaon, Taluka Paithan Aurangabad – 431105
4.	Website	www.videoconworld.com
5.	E-mail id	secretarial@videoconmail.com
6.	Financial Year reported	1 <sup>st</sup> January, 2016 to 31 <sup>st</sup> March, 2017
7.	<b>Sector(s) that the Company is engaged in (industrial activity code-wise) :</b>	
	The Company is engaged in the business of manufacturing and trading of Consumer Electronics & Home Appliances; and Oil and Gas	
	<b>Sr. No.</b>	<b>Activity</b>
		<b>NIC Code</b>
	1	Manufacture of Consumer Electronics
		: 264
	2	Wholesale trade of machinery, equipment and supplies
		: 465
	3	Retail sale via stalls and markets
		: 478
	4	Oil and Gas
		: 061 and 062
8.	<b>List three key products/services that the Company manufactures/provides (as in balance sheet):</b>	
	a)	Televisions
	b)	Refrigerators
	c)	Washing Machines
	d)	Air Conditioners
9.	<b>Total number of locations where business activity is undertaken by the Company:</b>	
	(a)	Number of International Locations (Provide details of major 5)
		: Nil
	(b)	Number of National Locations
		The Company has manufacturing facilities at the following locations: i) 14 K.M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, Dist.: Aurangabad - 431 105, Maharashtra. ii) Village: Chavaj, Via Society Area, Taluka & Dist.: Bharuch - 392 002, Gujarat. iii) Vigyan Nagar Industrial Area, Opp. RIICO office, Shahjahanpur, Dist.: Alwar-301 706, Rajasthan.
10.	<b>Markets served by the Company – Local/State/National/International</b>	: All

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR in Million)	3,344.59
2.	Total Turnover (INR in Million)	123,294.01
3.	Total profit / (loss) after taxes (INR in Million)	(19,156.75)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Nil
5.	List of activities in which expenditure in 4 above has been incurred:-	NA

### SECTION C: OTHER DETAILS

**1. Does the Company have any Subsidiary Company/ Companies?**

Yes. The Company has 26 Subsidiaries (including Step Down Subsidiary) as on 31<sup>st</sup> March, 2017.

**2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

The subsidiaries have their own policies for BR Initiatives.

**3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

NA



**SECTION D: BR INFORMATION**
**1. Details of Director/Directors responsible for BR**
**(a) Details of the Director/Director responsible for implementation of the BR policy/policies**

1. DIN Number : 00092450  
 2. Name : Venugopal N. Dhoot  
 3. Designation : Managing Director & Chief Executive Officer

**(b) Details of the BR head**

No.	Particulars	Details
1	DIN Number (if applicable)	00092450
2	Name	Mr. Venugopal N. Dhoot
3	Designation	Managing Director & Chief Executive Officer
4	Telephone number	+91 22 6611 3500
5	e-mail id	secretarial@videoconmail.com

**2. Principle-wise (as per NVGs) BR Policy/policies**
**(a) Details of compliance (Reply in Y/N)**

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
		Ethics, transparency, accountability	Safe and sustainable goods and services	Well-being of employee	Responsiveness to all stakeholders	Promoting Human rights	Protecting the Environment	Responsible policy advocacy	Supporting inclusive development	Providing value to customer
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Relevant internal and external stakeholders were consulted as deemed appropriate, during the formulation of the policies.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	All the policies have been developed considering relevant national and international standards including but not limited to various Acts such as Factories Act, Companies Act etc.,								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	The policies have been approved by Board/Sub-Committee of the Board. The Policies are signed by authorised person.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	www.videoconworld.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, by uploading on website of the Company. Internal policies by sending it to the stakeholders								
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	The company does not have financial or manpower resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	It is planned to be done within next 6 months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within the next 1 year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

### 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Currently, it is on semi-annual basis. It is proposed to be assessed quarterly in 2017-2018

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company is publishing its BR report for the first time for the financial year ended on 31<sup>st</sup> March, 2017. The copy of the BR Report is available at the website of the Company at <http://www.videoconindustriestd.com/PolicieChar.aspx>

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?

The Company is committed to adhere to the highest standards of ethical, moral and legal code of conduct for its business operations. The Company has adopted code of conduct to maintain these standards. The code of conduct lays down the principles and standards that should govern the actions of the employees in the course of conduct of business of the Company. Any potential or actual violation of code, however insignificant is perceived as such, would be a matter of serious concern for the Company.

All employees, suppliers, distributors who works with the Company are expected to observe the code.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

There were no cases of violation of the Company's code of conduct. Further, no complaints were received. Also, no cases were reported under Whistle Blower Policy. Information on Investor Complaints related to shares etc., are covered in the corporate governance report of the Company.

### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

All Refrigerator, Washing machines, Air Conditioners, produced by the Company are 100% RoHS compliant products. These products does not contain any hazardous/chemical/substances.

- (a) Cooler manufactured by us are considered top of line in terms of quality and durability. The high grade plastic material with insulated motors and pumps ensures complete safe environment that eliminates all kinds of shock.

- (b) The state of art designed Air Conditioners are eco-friendly in nature and chemistry that are fitted with energy efficient compressors which saves substantial power and electricity

- (c) One door Refrigerator segment are energy compliant refrigerators as per the Energy Regulation norms laid down by government of India.

- (d) Our washing machines have been designed with emphasis on to save water combined with low power consumption, thereby helping us to protect our environment.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Gross Weighted RMCs of (i) Cooler reduced from 2300 in the year 2015 to 2240 in the year 2016 (ii) Air Conditioners (18K 3 star PFC) reduced from 13280 in the year 2015 to 12444 in the year 2016 (iii) Washing Machine (7.2Kg) reduced from 3823 in the year 2015 to 3798 in the year 2016 and (iv) Refrigerator (170L/190L) reduced from 5762 in the year 2015 to 5679 in the year 2016.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

Yes, we are equipped with the procedures and strictly adhere to the policies set up by our Sourcing Team ensuring 100% RoHS compliant raw material procurement.

100% RoHS Complaint.

All Refrigerator, Washing machines, Air Conditioners, produced by the Company are 100% RoHS compliant products. These products does not contain any hazardous/chemical/substances.

Inputs required for Cooler are high grade plastic material with insulated motors and pumps ensures complete safe environment that eliminates all kinds of shock.

Inputs required for Air Conditioners are energy efficient compressors.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

For local raw materials procurement and other services, Videocon has around 60% ecosystem around its production facilities.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Our company has Mandatory and Statutory Policy regarding the Recycling of waste and Products. Please find the hyperlink for the same.

<https://videoconworld.com/e-waste-recycling>

### Principle 3: Businesses should promote the wellbeing of all employees

1. The total number of employees were 5770 and the employees hired on temporary/ contractual/ casual basis were 445. The women employees employed in the organisation were 151 and the number of permanent employees with disabilities were 4 and 5.19% of the permanent employees of the Company are unionized workmen.

2. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

3. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Safety upgradation training was given to more than 90% employees. Skill upgradation training was given to more than 70% employees.

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

1. Has the company mapped its internal and external stakeholders?

Yes. The Company uses both formal and informal mechanisms to engage with various stakeholders to understand their concerns and expectations.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Socio-economically disadvantageous sections of the society.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Over the last few years VIL has developed significant projects in specific areas, and has built capabilities for direct project implementation. The objective of the company is to pro-actively support meaningful socio-economic development.

We are focusing on identifying and motivating the skills of the physically challenged youth and helping them to enhance them.

This is based on the belief that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of society.

**Principle 5: Businesses should respect and promote human rights**

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?

The subsidiaries have their own policies for BR Initiatives.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints have been received.

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The policy covers the Company. The Company ensures/procures that the Subsidiaries/Joint Ventures also implement and promote the same.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

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

Yes, we have taken the following initiatives over the years across our products influenced with innovative strategies as per the changing energy rules and regulations.

#	Particulars	Initiatives Implementation	Hyper Link
1	Chemical Substances	100% RoHS Compliance Declaration across our product range	<a href="https://videoconworld.com/">https://videoconworld.com/</a>
2	E -Waste Policy	Strict Adherence as per E waste defined policies and procedures	<a href="https://videoconworld.com/e-waste-recycling">https://videoconworld.com/e-waste-recycling</a>
3	Global Warming & Climate Change	A) Refrigerator: Gas and Chemical change as per the Montreal Protocol – From Government Aid under the HCFC Phase out management plan (HPMP – Phase1) Implemented across all manufacturing facilities B) Air Conditioner: Gas change from R22 to R32 as per the Montreal Protocol – From Government Aid under the HCFC Phase out management plan (HPMP – Phase2) Implemented across all manufacturing facilities	<a href="http://www.ozonecell.com/">http://www.ozonecell.com/</a>

3. Does the company identify and assess potential environmental risks?

Yes. We have established a dedicated team working toward the environmental concerns and risks and is committed to Green Initiative wherein it has established a green management goal for significantly reducing greenhouse gases and launching eco-friendly products.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Environmental Compliance Report filed by Videocon Industries is as follows:-

- Yearly environment statement (Form # 05) to Maharashtra Pollution Control Board (MPCB)
- Regular Air & Water Monitoring as per (NAAQS - 2010) Standards.
- Annual hazardous returns (Form # 04) to MPCB as per legal requirement of pollution control board.
- RoHS Compliance declaration across all our products and group companies

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes, we have taken following initiatives towards Clean and Renewable Energy that are as follows:

- Established the Chemical Lab for Waste Water Testing purpose in campus as per Central Pollution Control Board (CPCB) norms.
- Installed Grey Water Treatment plant in canteen area to treat the 10 KLD waste water /day.
- Hazardous waste send to authorized party for disposal as per defined duration.
- Up gradation of Effluent treatment & sewage treatment plant and using treated water for gardening.
- Carbon footprint reduction by generating Green Energy through Net metering facility is implemented in our factory to encourage solar green energy and set up Solar PV plants at unutilized places on roof-tops.
- Celebration of world environment day, to increase the mass awareness among the employees.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Our 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.

Yes, the Emissions/Waste generated by the company are within the permissible limits given by CPCB/SPCB for the financial year being reported.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- (a) The Associated Chambers of Commerce of India
- (b) Consumer Electronics and Appliances Manufacturers Association

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, the Company has advocated through the above associations for the advancement and improvement of public good and overall welfare.

**Principle 8: Businesses should support inclusive growth and equitable development**

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company undertakes projects in the following areas:

- i. Promoting preventive health care
- ii. Promoting art and culture
- iii. Promoting education, employment and upgradation of skill
- iv. Ensuring environment sustainability

2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?

Primarily through In house team.

3. Have you done any impact assessment of your initiative?

Yes, the company assesses the impact of the initiative.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

Please refer Corporate Social Responsibility section of the Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Yes.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Less than 0.5% of customer complaints are pending.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).

Yes

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.

No

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Internal Team carries out consumer survey/consumer satisfaction trends.

## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
**VIDEOCON INDUSTRIES LIMITED**

### 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 31<sup>st</sup> March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the 15 months period ended on that date, and a summary of significant accounting policies and other explanatory information.

### 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. 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.

### 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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. 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.

### Basis for Qualified Opinion

*As mentioned in Note No. 41, to the Standalone financial statements, the Company has up to 31<sup>st</sup> March, 2017 directly and through its subsidiaries, made investments of ₹ 75,002.03 Million in Videocon Telecommunications Limited (VTL), the subsidiary. VTL has huge accumulated losses as at 31<sup>st</sup> March, 2017. The ability of VTL to continue as a going concern is substantially dependent on its ability to fund its operating and capital expenditure requirements. VTL has entered into agreement dated 16th March, 2016 with Bharti Airtel Limited for trading the right to use 2 x 5 MHz Spectrum in the 1800 MHz band allotted to it in 6 circles at an aggregate consideration of ₹ 46,530.00 Million, and the said transaction has been concluded on 24th May, 2016. VTL is confident of continuing its commercial operations in the National Long Distance (NLD) and International Long Distance (ILD) Business.*

*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 VTL. The consequential effect of the above, on the assets and liabilities as at 31<sup>st</sup> March, 2017 and the loss for the period ended on that date is not ascertainable.*

*Our report for preceding financial year was also qualified in respect of this matter.*

### 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its loss and its cash flows for the period ended on that date.

### 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 joint venture operations on a line by line basis. The Company incorporates its share in the operations of the joint venture



based on statement of account received from the Operator. The Company has participating interest of 25% in Ravva Oil and Gas Field Joint Venture through a Production Sharing Contract (PSC). The Company has received the audited financial statements for the period upto 31<sup>st</sup> March, 2016 and un-audited financial statements for the period 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017, in respect of the said joint venture from the Operator which has been certified by the management on which we have placed reliance.

Our opinion is not qualified in respect of this matter.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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.
  - e) *The matter relating to the extent of realisability of investments in a subsidiary described in 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 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - h) 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 standalone 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.
    - iv) The Company has provided requisite disclosures in the financial statements as to its holdings and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation provided to us, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management – Refer Note No. 49.

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

**BHUPENDRA Y. KARKHANIS**  
*Partner*  
Membership No.:108336

Place : Mumbai  
Date : 26<sup>th</sup> May, 2017

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

**U. S. KADAM**  
*Partner*  
Membership No.:31055

## ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

- (i) In respect of fixed assets:
- (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 has been carried out in terms of the phased programme of verification adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company and nature of its business.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) As per the information and explanation given to us, the inventories (excluding stock of crude oil lying at extraction site with the Operator) have been physically verified during the period by the management at reasonable intervals. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
- (b) As per information and explanation given to us, no material discrepancies were noticed.
- (iii) The Company has granted unsecured loans that are repayable on demand to 11 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) The terms and conditions of the aforesaid loans are not prejudicial to the Company’s interest.
- (b) 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.
- (c) 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 explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the period. Therefore, the provisions of clause (v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, in our opinion, the Company has, *prima facie*, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under section 148(1) of the Companies Act, 2013. We have however, not made a detailed examination of the cost 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 undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with appropriate authorities wherever applicable. According to the information and explanations given to us, undisputed arrears of statutory dues which were outstanding as on 31st March, 2017 for a period of more than six months from the date they became payable and not paid till date are given below:

Nature of the Dues	₹ in Million
1. Value Added Tax Payable	1.76
2. Entry Tax Payable	0.36

- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, details of dues of income tax, sales tax, service tax, custom duty, excise duty, value added tax, cess which have not been deposited as on 31st March, 2017 on account of 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
		1.50	High Court
		355.25	CESTAT
		66.65	Commissioner
		17.17	Deputy Commissioner
		7.37	Asst. Commissioner
2. Central Excise Act, 1944	Excise Duty and Penalties	1.78	High Court
		442.67	CESTAT
		1.00	Deputy Commissioner
		7.02	Commissioner (Appeals)
		753.62	Commissioner
		30.30	Addl. Commissioner
		0.66	Asst. Commissioner
		0.36	Superintendent
		48.20	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	41.77 2.25 0.23	CESTAT Addl. Commissioner Asst. Commissioner
4. Central Sales Tax Act, 1956 and Sales Tax Acts of various States	Sales Tax	44.67 43.26 20.06 402.60 24.36 0.20 29.48 11.45 11.81 0.27 148.55 11.25 8.48 6.43	High Court Joint Commissioner (Appeals) Joint Commissioner Addl. Commissioner Addl. Commissioner (Appeals) Dy. Commissioner (Appeals) Deputy Commissioner Assistant Commissioner Commercial Tax Officer Addl. Commercial Tax Officer Tribunal Commissioner (Appeals) Appellate Tribunal Sales Tax Officer
5. Income Tax Act, 1961	Income Tax	2,847.59 14.39 70.02	High Court Income Tax Appellate Tribunal Commissioner (Appeals)
6. Navi Mumbai Municipal Corporation	Cess	1,012.64	High Court

(viii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, we observed that, the Company has defaulted in repayment of loans to financial institutions and banks as summarised below:

Particulars	Principal Amount (₹ Million)	Interest Amount (₹ Million)	Delay in Days-Range
Amount paid before the period end	5,947.85	30,223.13	1 to 120 Days
Amount outstanding as at 31 <sup>st</sup> March, 2017	1,846.16	4,970.26	1 to 120 Days

The Company has not borrowed from government and has not issued any debentures.

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

The Company has not raised the money during the period by way of initial public offer or further public offer (including debt instruments).

(x) According to the information and explanations given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the period.

(xi) The Company has not paid or provided the managerial remuneration to any of its Director.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, we observed that, transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards.

(xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, we observed that, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period.

(xv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, we observed that, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the Clause (xvi) of paragraph 3 of the Order is not applicable to the Company.

**For KHANDELWAL JAIN & CO.**

Chartered Accountants  
(Firm Registration No. 105049W)

**BHUPENDRA Y. KARKHANIS**

Partner  
Membership No.:108336

Place : Mumbai  
Date : 26<sup>th</sup> May, 2017

**For KADAM & CO.**

Chartered Accountants  
(Firm Registration No. 104524W)

**U. S. KADAM**

Partner  
Membership No.:31055

## ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2 (g) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **VIDEOCON INDUSTRIES LIMITED** (“the Company”) as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **For KHANDELWAL JAIN & CO.**

*Chartered Accountants*  
(Firm Registration No. 105049W)

#### **BHUPENDRA Y. KARKHANIS**

*Partner*  
Membership No.:108336

Place : Mumbai

Date : 26<sup>th</sup> May, 2017

#### **For KADAM & CO.**

*Chartered Accountants*  
(Firm Registration No. 104524W)

#### **U. S. KADAM**

*Partner*  
Membership No.:31055

## BALANCE SHEET

### As at 31st March, 2017

(₹ in Million)

Particulars	Note No.	As at 31st Mar., 2017	As at 31st Dec., 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' Funds</b>			
a) Share Capital	2	3,344.59	3,344.59
b) Reserves and Surplus	3	80,566.11	99,722.86
		<b>83,910.70</b>	103,067.45
<b>2) Grant for Ozone Project</b>	4	56.32	61.42
<b>3) Non-Current Liabilities</b>			
a) Long Term Borrowings	5	171,941.91	185,884.28
b) Deferred Tax Liability (Net)	6	3,668.45	7,043.52
c) Long Term Provisions	7	1,647.07	2,098.85
		<b>177,257.43</b>	195,026.65
<b>4) Current Liabilities</b>			
a) Short Term Borrowings	8	23,117.34	43,122.05
b) Trade Payables	9		
- Micro, Small and Medium Enterprises		520.80	97.62
- Others		18,528.04	11,551.03
c) Other Current Liabilities	10	53,315.62	25,167.28
d) Short Term Provisions	11	678.64	670.18
		<b>96,160.44</b>	80,608.16
	<b>TOTAL</b>	<b>357,384.89</b>	378,763.68
<b>II. ASSETS</b>			
<b>1) Non-Current Assets</b>			
a) Fixed Assets	12		
i) Tangible Assets		49,726.34	55,152.67
ii) Intangible Assets		212.70	301.54
iii) Capital work-in-progress		4,903.81	7,143.59
b) Non-Current Investments	13	102,394.71	89,947.07
c) Long Term Loans and Advances	14	36,454.25	40,130.78
		<b>193,691.81</b>	192,675.65
<b>2) Current Assets</b>			
a) Current Investments	15	-	52.00
b) Inventories	16	28,635.19	23,592.01
c) Trade Receivables	17	24,003.15	28,585.19
d) Cash and Bank Balances	18	5,532.85	26,761.01
e) Short Term Loans and Advances	19	104,884.61	105,326.84
f) Other Current Assets	20	637.28	1,770.98
		<b>163,693.08</b>	186,088.03
	<b>TOTAL</b>	<b>357,384.89</b>	378,763.68
<b>Significant Accounting Policies</b>	1		
<b>Notes forming part of the Financial Statements</b>	2 to 52		

As per our report of even date

For and on behalf of the Board

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

**For KADAM & CO.**  
Chartered Accountants

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

**R. S. AGARWAL**  
Director  
DIN: 00012594

**BHUPENDRA Y. KARKHANIS**  
Partner  
Membership No. 108336

**U. S. KADAM**  
Partner  
Membership No. 31055

**MANDAR JOSHI**  
Company Secretary  
Membership No.: A40533

**A. A. GUNE**  
Chief Financial Officer

Place: Mumbai  
Date : 26th May, 2017



## STATEMENT OF PROFIT AND LOSS

For the period 1st January, 2016 to 31st March, 2017

		(₹ in Million)	
Particulars	Note No.	15 Months ended 31st Mar., 2017	Year ended 31st Dec., 2015
<b>I. INCOME</b>			
Revenue from Operations	21	129,753.20	129,090.48
Less: Excise Duty		6,459.19	4,908.35
Net Revenue from Operations		123,294.01	124,182.13
Other Income	22	4,991.99	8,443.33
<b>Total Income</b>		<b>128,286.00</b>	132,625.46
<b>II. EXPENSES</b>			
Cost of Materials Consumed	23	44,284.72	40,733.04
Purchase of Stock-in-Trade	24	43,055.27	39,919.33
Changes in Inventories of Finished Goods, Work-in- Process and Stock-in-Trade	25	211.70	208.96
Production and Exploration Expenses - Oil and Gas	26	4,072.89	4,991.03
Employee Benefits Expense	27	3,757.07	2,834.32
Finance Costs	28	30,977.34	23,684.59
Depreciation and Amortisation	12	7,315.23	7,017.14
Other Expenses	29	17,143.60	13,844.09
<b>Total Expenses</b>		<b>150,817.82</b>	133,232.50
<b>III. Profit/(Loss) Before Tax</b>		<b>(22,531.82)</b>	(607.04)
<b>IV. Tax Expense</b>		30	(3,375.07)
<b>V. Profit/(Loss) for the Period/Year</b>		<b>(19,156.75)</b>	(558.05)
<b>VI. Earnings per Equity Share of face value ₹10/- each</b>		31	
Basic and Diluted		<b>(57.28)</b>	(1.67)
<b>Significant Accounting Policies</b>	1		
<b>Notes forming part of the Financial Statements</b>	2 to 52		

As per our report of even date

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

**For KADAM & CO.**  
Chartered Accountants

**BHUPENDRA Y. KARKHANIS**  
Partner  
Membership No. 108336

**U. S. KADAM**  
Partner  
Membership No. 31055

For and on behalf of the Board

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

**R. S. AGARWAL**  
Director  
DIN: 00012594

**MANDAR JOSHI**  
Company Secretary  
Membership No.: A40533

**A. A. GUNE**  
Chief Financial Officer

Place: Mumbai  
Date : 26th May, 2017

**CASH FLOW STATEMENT**

For the period 1st January, 2016 to 31st March, 2017

(₹ in Million)

Particulars	15 Months ended 31st Mar., 2017	Year ended 31st Dec., 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before Tax	(22,531.82)	(607.04)
Adjustments for:		
Depreciation and Amortisation	7,315.23	7,017.14
Finance Costs	30,977.34	23,684.59
Provision for Warranty and Maintenance Expenses	0.98	(10.21)
Provision for Gratuity	24.52	35.67
Provision for Leave Encashment	8.47	11.08
Provision for Abandonment and Site Restoration Costs	(477.29)	78.23
Provision for Doubtful Debts	11.00	14.56
Interest Income	(1,391.33)	(1,564.85)
(Write back) in Value of Investments - Net	(1.51)	(10.05)
Income from Investments and Securities Division	(39.91)	(2,679.31)
(Profit)/Loss on Sale of Fixed Assets	100.84	(12.14)
Adjustment of Grant	(5.10)	(2.98)
<b>Operating Profit before Working Capital Changes</b>	<b>13,991.42</b>	<b>25,954.69</b>
Adjustments for:		
Inventories	(5,043.18)	448.98
Trade Receivables	4,571.04	27.87
Loans and Advances	4,304.57	35,134.10
Other Current Assets	1,133.70	(586.93)
Trade Payables	7,400.19	123.95
Other Current Liabilities	22,884.32	2,665.81
Cash generated from Operations	49,242.06	63,768.47
Less: Taxes Paid (Net)	185.81	168.55
<b>Net Cash from Operating Activities</b>	<b>(A) 49,056.25</b>	<b>63,599.92</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	582.72	46.76
Purchase of Fixed Assets (Including Capital Work-in-Progress)	(243.84)	(3,030.29)
Grant for Ozone Project	-	64.40
Interest Income	1,391.33	1,564.85
(Increase)/Decrease in Fixed Deposits and Other Bank Balances	20,262.40	(4,048.97)
(Purchase)/Sale of Investments (Net)	(13.64)	846.81
(Increase) in Investments in Subsidiaries (Net)	(12,380.49)	(34,566.56)
Income from Investments and Securities Division	39.91	2,679.31
<b>Net Cash from / (used in) Investing Activities</b>	<b>(B) 9,638.39</b>	<b>(36,443.69)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Decrease) in Long Term Borrowings	(8,677.15)	(1,657.41)
(Decrease) in Short Term Borrowings	(20,004.71)	(3,318.39)
Finance Costs	(30,977.34)	(23,684.59)
Payment of Dividend	(1.20)	(234.11)
Tax on Dividend	-	(46.65)
<b>Net Cash (used in) Financing Activities</b>	<b>(C) (59,660.40)</b>	<b>(28,941.15)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(A+B+C) (965.76)</b>	<b>(1,784.92)</b>
Cash and Cash Equivalents at beginning of the period/year	1,407.27	3,192.19
Cash and Cash Equivalents at end of the period/year	441.51	1,407.27
Other Bank Balances	5,091.34	25,353.74
Cash and Bank Balances at the end of the period/year (Note No. 18)	5,532.85	26,761.01

As per our report of even date

For and on behalf of the Board

For **KHANDELWAL JAIN & CO.**  
Chartered AccountantsFor **KADAM & CO.**  
Chartered Accountants**V. N. DHOOT**  
Chairman & Managing Director  
DIN: 00092450**R. S. AGARWAL**  
Director  
DIN: 00012594**BHUPENDRA Y. KARKHANIS**  
Partner  
Membership No. 108336**U. S. KADAM**  
Partner  
Membership No. 31055**MANDAR JOSHI**  
Company Secretary  
Membership No.: A40533**A. A. GUNE**  
Chief Financial OfficerPlace: Mumbai  
Date : 26th May, 2017

## 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 Custom Duty

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

#### L) CENVAT/Value Added Tax

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

#### M) Revenue Recognition

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

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

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

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

### N) Foreign Currency Transactions

- a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions. Foreign Currency Monetary Assets and Liabilities are translated at the year end rate. The difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of Monetary Items at the end of the 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 recognized 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 recognized immediately in the Statement of Profit and Loss.

### iii) Leave Encashment

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

### 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, Custom duty, Income tax, Sales tax and Others are disclosed as contingent liabilities. Payment in respect of such demands, if any, is shown as an advance, till the final outcome of the matter. Contingent assets are not recognised in the financial statements.

### 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:

500,000,000 (As at 31st December, 2015 - 500,000,000) Equity Shares of ₹ 10/- each  
10,000,000 (As at 31st December, 2015 - 10,000,000) Redeemable Preference Shares of ₹ 100/- each

	As at 31st Mar., 2017	As at 31st Dec., 2015
	5,000.00	5,000.00
	1,000.00	1,000.00
<b>Total</b>	<b>6,000.00</b>	<b>6,000.00</b>
	3,344.59	3,344.59
<b>Total</b>	<b>3,344.59</b>	<b>3,344.59</b>

#### Issued, Subscribed and Paid-up:

##### Equity Shares

334,458,875 (As at 31st December, 2015 - 334,458,875) Equity Shares of ₹ 10/- each fully paid-up.

	3,344.59	3,344.59
<b>Total</b>	<b>3,344.59</b>	<b>3,344.59</b>

#### 2.1 Reconciliation of the Number of Equity Shares:

	As at 31st March, 2017		As at 31st December, 2015	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
<b>Equity Shares of ₹ 10/- each</b>				
Outstanding at the beginning of the period/year	334,458,875	3,344.59	334,458,875	3,344.59
Issued during the period/year	-	-	-	-
Outstanding at the end of the period/year	334,458,875	3,344.59	334,458,875	3,344.59

#### 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% of Equity Shares:

Name of Shareholders	As at 31st March, 2017		As at 31st December, 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
a) Dome-Bell Electronics India Private Limited	16,408,315	4.91	19,741,704	5.90
b) Shree Dhoot Trading and Agencies Limited	26,179,336	7.83	26,604,836	7.95
c) Videocon Realty and Infrastructures Limited	63,945,518	19.12	64,670,518	19.34
d) Deutsche Bank Trust Company Americas (As depository of Global Deposits Receipts)	38,835,179	11.61	39,705,381	11.87

### 3. RESERVES AND SURPLUS

#### a) Capital Reserve (including Capital Subsidy)

As per last Balance Sheet

	As at 31st Mar., 2017	As at 31st Dec., 2015
(a)	11.19	11.19

#### b) Capital Redemption Reserve

As per last Balance Sheet

(b)	997.59	997.59
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#### c) Securities Premium Account

As per last Balance Sheet

(c)	48,876.99	48,876.99
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#### d) Bond/Debt Redemption Reserve

As per last Balance Sheet

Less: Transferred to Surplus in the Statement of Profit and Loss

(d)	1,618.38	5,016.75
	399.41	3,398.37
	1,218.97	1,618.38

#### e) General Reserve

As per last Balance Sheet

(e)	16,801.48	16,801.48
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#### f) Surplus in the Statement of Profit and Loss

As per last Balance Sheet

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

Add: Transfer from Bond/Debt Redemption Reserve

(f)	31,417.23	28,576.91
	(19,156.75)	(558.05)
	399.41	3,398.37
<b>Total (a to f)</b>	<b>12,659.89</b>	<b>31,417.23</b>
	<b>80,566.11</b>	<b>99,722.86</b>

- The Company has received Grant of ₹ Nil (Previous year ₹ 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 ₹ 5.10 Million (Previous year ₹ 2.98 Million) has been allocated to income and credited to other non-operating income, in proportion to the depreciation charged on those assets for the period. The balance deferred income has been carried to Balance Sheet as Grant for Ozone Project.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(₹ in Million)

	As at 31st March, 2017		As at 31st December, 2015	
	Non-Current	Current	Non-Current	Current
<b>5. LONG-TERM BORROWINGS</b>				
<b>a) Secured</b>				
Rupee Term Loans from Banks	159,279.68	13,672.98	171,361.02	8,428.30
Rupee Term Loans from Financial Institutions	7,777.50	318.75	8,043.12	180.63
Vehicle Loan from Banks	8.87	4.97	6.62	47.55
Foreign Currency Convertible Bonds	4,875.86	-	6,473.52	-
<b>(a)</b>	<b>171,941.91</b>	<b>13,996.70</b>	<b>185,884.28</b>	<b>8,656.48</b>
<b>b) Unsecured</b>				
Rupee Term Loans from Banks	-	-	-	75.00
<b>(b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75.00</b>
<b>Total (a+b)</b>	<b>171,941.91</b>	<b>13,996.70</b>	<b>185,884.28</b>	<b>8,731.48</b>

### 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 (RTL 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 Electroworld Digital Solutions Limited (formerly Videocon International Electronics Limited).

Further, Videocon Telecommunications Limited (VTL), subsidiary of the Company had availed financial assistance from consortium of Banks/Financial Institutions (VTL Lenders). It has been agreed between the RTL Lenders and VTL Lenders to share the security available to the RTL Lenders under the RTL Agreement (including the receivables from each of the Obligors) with the VTL Lenders under the VTL facility agreement (including the receivables from VTL) on a reciprocal first *pari-passu* charge basis. Thus, VTL is also inducted as co-obligor in the said facility agreement with the consortium of RTL Lenders.

Loans amounting to ₹ 164,042.66 Million (As at 31st December, 2015 ₹ 165,314.26 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. After induction of VTL as a co-obligor, the loans are further secured by first *pari-passu* charge on existing and future assets of VTL, assignment of all telecom licenses held by VTL by way of tripartite agreement to be executed between the Department of Telecommunications, VTL and VTL Lenders. (Also refer Note No. 37).

- ii) Loans amounting to ₹ Nil (As at 31st December, 2015 ₹ 461.31 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 ₹ 15,506.25 Million (As at 31st December, 2015 ₹ 17,387.50 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 ₹ Nil (As at 31st December, 2015 ₹ 1,850.00 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 ₹ Nil (As at 31st December, 2015 ₹ 1,500.00 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, 2015 ₹ 1,500.00 Million) 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 were 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) The Bonds were redeemable at the option of the holders on 30th June, 2016 (Put Option Date). The Company made a partial pre-payment of US\$ 22,000,000 on pro-rata basis to all the bondholders on 3rd August, 2016 in pursuance to the approval of bondholders and approval from Reserve Bank of India. Further, the coupon rate was revised to 2.80 per cent payable semi-annually and the put option date was amended to 30th December, 2016.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(₹ in Million)

### 5.3 Maturity Profile:

Maturity between 1st April, 2018 to 31st March, 2019
Maturity between 1st April, 2019 to 31st March, 2020
Maturity between 1st April, 2020 to 31st March, 2021
Maturity between 1st April, 2021 to 31st March, 2022
Maturity between 1st April, 2022 to 31st March, 2023

Secured Loans		
Rupee Term Loans from Banks	Rupee Term Loans from Financial Institutions	Vehicle Loan from Banks
27,035.23	850.00	3.50
46,285.91	2,125.00	2.54
41,820.00	2,125.00	2.55
37,284.32	2,125.00	0.28
6,854.22	552.50	-

5.4 The Company has made certain defaults in repayment of term loans and interest. The details of continuing defaults as at 31st March, 2017 are as follows:

Particulars	Period of Delays	
	1 to 90 Days	Above 90 Days
Principal amount of Loans	1,655.54	137.50
Interest on Loans	4,753.26	217.00

(₹ in Million)

### 6. DEFERRED TAX LIABILITY (Net)

a) Deferred Tax Liability related to:

Depreciation and Amortisation on Fixed Assets

	As at 31st Mar., 2017	As at 31st Dec., 2015
	7,880.26	8,367.98
(a)	7,880.26	8,367.98

b) Deferred Tax Assets related to:

i) Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961

ii) Unabsorbed Depreciation

iii) Others

	2,967.02	99.44
	1,224.86	1,209.02
	19.93	16.00
(b)	4,211.81	1,324.46
(a-b)	3,668.45	7,043.52

Net Deferred Tax Liability

### 7. LONG-TERM PROVISIONS

Provision for Gratuity (Refer Note No. 34B)

Provision for Leave Encashment (Refer Note No. 34B)

Provision for Abandonment and Site Restoration Costs

	210.36	192.05
	65.07	57.87
	1,371.64	1,848.93
Total	1,647.07	2,098.85

### 8. SHORT-TERM BORROWINGS

#### Secured

Loans from Banks

Overdraft against Fixed Deposits

Working Capital Loans from Banks

Loans from Others

	-	1,500.00
	-	20,160.00
	11,953.95	10,312.05
	13.39	-
(a)	11,967.34	31,972.05

#### Unsecured

Loans from Banks

	11,150.00	11,150.00
(b)	11,150.00	11,150.00
Total (a+b)	23,117.34	43,122.05

### 8.1 Secured Loans:

a) Short Term Loans from Banks amounting to ₹ Nil (As at 31st December, 2015 ₹ 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

- b) Overdraft facility amounting to ₹ Nil (As at 31st December, 2015 ₹ 20,160.00 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.
- d) Loans from Others amounting to ₹ 13.39 Million (As at 31st December, 2015 ₹ Nil) is secured against surrender value of Key Man Insurance Policy.

### 8.2 Unsecured Loans:

- a) Unsecured Loans from Banks amounting to ₹ 9,250.00 Million (As at 31st December, 2015 ₹ 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, 2015 ₹ 1,900.00 Million) 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 Mar., 2017	As at 31st Dec., 2015
520.80	97.62
18,528.04	11,551.03
<b>Total</b>	<b>11,648.65</b>

### 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/year	520.80	97.62
b) Interest due thereon as at the end of the period/year	5.72	0.34
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/year	16.24	9.71
d) Interest due and payable for the period of delay in making payment	5.72	0.34
e) Interest accrued and remaining unpaid at the end of the period/year	5.72	0.34
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  
Interest accrued and due on Borrowings  
Unclaimed Dividend  
Creditors for Capital Expenditure  
Payable to Related Parties  
Other Payables

(₹ in Million)	
As at 31st Mar., 2017	As at 31st Dec., 2015
13,996.70	8,731.48
13.13	-
2,495.95	2,610.68
4,970.26	-
8.23	9.43
21.04	44.75
26,105.04	7,893.47
5,705.27	5,877.47
<b>Total</b>	<b>25,167.28</b>

### 11. SHORT-TERM PROVISIONS

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)

639.23	638.25
30.31	24.10
9.10	7.83
<b>Total</b>	<b>670.18</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

### 12. FIXED ASSETS

(₹ in Million)

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at 31st Dec., 2015	Additions	Deductions/ Adjustments	As at 31st Mar., 2017	As at 31st Dec., 2015	For the Period	Deductions/ Adjustments	As at 31st Mar., 2017	As at 31st Mar., 2017	As at 31st Dec., 2015
<b>i) Tangible Assets</b>										
Freehold Land	158.70	0.31	-	159.01	-	-	-	-	159.01	158.70
Leasehold Land	48.05	-	-	48.05	14.08	0.96	-	15.04	33.01	33.97
Building	6,640.00	4.29	-	6,644.29	2,863.36	149.24	-	3,012.60	3,631.69	3,776.64
Leasehold Improvements	39.33	-	-	39.33	39.15	-	-	39.15	0.18	0.18
Plant and Machinery	113,533.88	2,371.87	984.69	114,921.06	62,897.81	6,869.22	336.00	69,431.03	45,490.03	50,636.07
Furnace	1,531.26	-	153.87	1,377.39	1,516.62	-	152.33	1,364.29	13.10	14.64
Electrical Installation	176.87	1.97	0.01	178.83	149.72	9.68	0.01	159.39	19.44	27.15
Computers	276.79	12.91	1.63	288.07	259.07	11.68	1.59	269.16	18.91	17.72
Furniture and Fixtures	221.08	1.02	1.39	220.71	184.16	10.67	1.00	193.83	26.88	36.92
Office Equipments	357.95	4.89	1.10	361.74	307.36	26.09	1.01	332.44	29.30	50.59
Vehicles	1,282.07	26.21	19.58	1,288.70	881.98	120.27	18.34	983.91	304.79	400.09
<b>Total (i)</b>	<b>124,265.98</b>	<b>2,423.47</b>	<b>1,162.27</b>	<b>125,527.18</b>	<b>69,113.31</b>	<b>7,197.81</b>	<b>510.28</b>	<b>75,800.84</b>	<b>49,726.34</b>	<b>55,152.67</b>
<b>ii) Intangible Assets</b>										
Computer Software	281.66	4.71	-	286.37	269.53	6.51	-	276.04	10.33	12.13
Producing Properties	6,210.83	55.44	31.57	6,234.70	5,921.42	110.91	-	6,032.33	202.37	289.41
<b>Total (ii)</b>	<b>6,492.49</b>	<b>60.15</b>	<b>31.57</b>	<b>6,521.07</b>	<b>6,190.95</b>	<b>117.42</b>	<b>-</b>	<b>6,308.37</b>	<b>212.70</b>	<b>301.54</b>
<b>Total (i+ii)</b>	<b>130,758.47</b>	<b>2,483.62</b>	<b>1,193.84</b>	<b>132,048.25</b>	<b>75,304.26</b>	<b>7,315.23</b>	<b>510.28</b>	<b>82,109.21</b>	<b>49,939.04</b>	<b>55,454.21</b>
<b>iii) Capital Work-in-Progress</b>	7,143.59			4,903.81					4,903.81	7,143.59

### PREVIOUS YEAR

(₹ in Million)

Particulars	Gross Block				Depreciation and Amortisation				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
<b>i) Tangible Assets</b>										
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
<b>Total (i)</b>	<b>121,234.51</b>	<b>3,145.73</b>	<b>114.26</b>	<b>124,265.98</b>	<b>62,455.76</b>	<b>6,737.19</b>	<b>79.64</b>	<b>69,113.31</b>	<b>55,152.67</b>	<b>58,778.75</b>
<b>ii) Intangible Assets</b>										
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
<b>Total (ii)</b>	<b>6,458.60</b>	<b>33.89</b>	<b>-</b>	<b>6,492.49</b>	<b>5,911.00</b>	<b>279.95</b>	<b>-</b>	<b>6,190.95</b>	<b>301.54</b>	<b>547.60</b>
<b>Total (i+ii)</b>	<b>127,693.11</b>	<b>3,179.62</b>	<b>114.26</b>	<b>130,758.47</b>	<b>68,366.76</b>	<b>7,017.14</b>	<b>79.64</b>	<b>75,304.26</b>	<b>55,454.21</b>	<b>59,326.35</b>
<b>iii) Capital Work-in-Progress</b>	7,292.92			7,143.59					7,143.59	7,292.92

**Note:** 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 year ended 31st December, 2015 is higher by ₹ 811.64 Million.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

### 13. NON-CURRENT INVESTMENTS

#### A. In Equity Shares (Fully Paid-up) - Trade

##### Quoted

	Face Value	As at 31st March, 2017		As at 31st December, 2015	
		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	27.82
			<b>53.39</b>		<b>53.39</b>

##### Unquoted

Akai Consumer Electronics India Limited	₹10	35,000	0.35	35,000	0.35
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
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
			<b>52.89</b>		<b>53.72</b>

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

##### Quoted

AI Champdany Industries Limited	₹ 5	18,000	0.47	18,000	0.47
Asian Electronics Limited	₹ 5	40,000	0.13	40,000	0.13
Assam Company (India) Limited	Re.1	10,000	0.08	10,000	0.06
Bajaj Auto Limited	₹ 10	-	-	848	0.88
Dhoot Industrial Finance Limited	₹10	4,800	0.14	4,800	0.14
Expo Gas Containers Limited	₹ 4	7,600	0.05	7,600	0.05
GTL Infrastructure Limited	₹ 10	500,000	2.89	500,000	1.40
India Steel Works Limited	₹ 1	1,300	-	1,300	-
[₹ 3,965 (As at 31st December, 2015 ₹ 3,965)]					
IOL Netcom Limited	₹ 10	1,567,374	9.87	1,567,374	9.87
Lumax Industries Limited	₹ 10	7,000	2.16	7,000	2.16
Man Industries Limited	₹ 5	300,000	28.97	300,000	28.97
Mold-Tek Packaging Limited (As at 31st December, 2015 Face Value ₹ 10)	₹ 5	3,600	0.15	1,800	0.15
Prime Securities Limited	₹ 5	-	-	1,762,565	9.96
Shree Ram Urban Infrastructure Limited	₹10	65,709	6.58	65,709	6.58
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
			<b>52.17</b>		<b>61.50</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

	Face Value	As at 31st March, 2017		As at 31st December, 2015	
		Nos.	₹ in Million	Nos.	₹ in Million
<b>Unquoted</b>					
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
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	-
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
Paramount Global Limited	US\$ 1	256,000	11.24	256,000	11.24
Raa Media Private Limited	₹ 10	9,700	0.10	9,700	0.10
Sangam Infratech Limited	₹ 10	1,645,000	164.69	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
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
			493.83		416.64
<b>C. In Equity Shares (Fully Paid-up) - Subsidiaries</b>					
<b>Unquoted</b>					
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	869,000	48.92
Videocon Hydrocarbon Holdings Limited *	US\$ 1	2,030,000	92.75	2,030,000	92.75
Electroworld Digital Solutions Limited * (formerly Videocon International Electronics Limited)	₹ 10	6,463,471,883	64,634.72	5,225,422,641	52,254.23
Videocon Oil Ventures Limited *	₹ 10	185,000,000	9,500.00	185,000,000	9,500.00
Videocon Telecommunications Limited *	₹ 10	1,396,965,871	13,969.66	1,396,965,871	13,969.66
			100,679.06		88,298.57
<b>D. In Equity Shares (Fully Paid-up) - Joint Ventures</b>					
Videocon Infinity Infrastructure Private Limited	₹ 10	5,000	0.05	5,000	0.05
			0.05		0.05

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

	Face Value	As at 31st March, 2017		As at 31st December, 2015	
		Nos.	₹ in Million	Nos.	₹ in Million
<b>E. In Preference Shares (Fully Paid-up)</b>					
Agharna Real Estate Private Limited	₹ 100	75,000	7.50	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	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
			<b>1,062.68</b>		<b>1,062.68</b>
<b>F. Other Investments</b>					
<b>i) In Shares (Fully Paid-up) of Co-Operative Bank</b>					
Ahmednagar District Urban Central Co-Operative Bank Ltd. [₹ 500 (As at 31st December, 2015 ₹ 500)]	₹ 50	10	-	10	-
Bharati Sahakari Bank Limited	₹ 50	7,670	0.38	7,670	0.38
Bombay Mercantile Co-Operative Bank Limited	₹10	4,166	0.04	4,166	0.04
Janata Sahakari Bank Limited	₹ 10	857	0.09	857	0.09
The Latur Urban Co-Operative Bank Limited	₹ 1000	121	0.12	-	-
The Saraswat Co-Operative Bank Limited	₹ 10	1,000	0.01	1,000	0.01
(i)			<b>0.64</b>		<b>0.52</b>
<b>ii) In Shares (Fully Paid-up) of Co-Operative Society</b> (ii)	₹ 50	5	-	5	-
[₹ 250 (As at 31st December, 2015 ₹ 250)]					
(i + ii)			<b>0.64</b>		<b>0.52</b>
<b>Total Non-Current Investments</b>			<b>102,394.71</b>		<b>89,947.07</b>
Aggregate amount of Quoted Investments			<b>105.56</b>		<b>114.89</b>
Aggregate Market value of Quoted Investments			<b>84.63</b>		<b>119.78</b>
Aggregate amount of Unquoted Investments			<b>102,289.15</b>		<b>89,832.18</b>

\* 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, 317,600,000 Equity Shares of Pipavav Energy Private Limited, 1,020,000,000 Equity Shares of Electroworld Digital Solutions Limited (formerly Videocon International Electronics Limited) and 1,322,430,770 Equity Shares of Videocon Telecommunications Limited are pledged with Banks, Financial Institutions and Security Trustees as security for availing of certain loans.

	(₹ in Million)	
	As at 31st Mar., 2017	As at 31st Dec., 2015
<b>14. LONG TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Capital Advances	1.02	11.56
Other Deposits	522.64	481.11
MAT Credit Entitlement	73.05	7.37
Advance Income Tax (Net of Provision)	818.50	698.37
Loans and Advances to Related Parties (Refer Note No. 47)	10,549.33	11,444.54
Loans and Advances to Others	24,489.71	27,487.83
<b>Total</b>	<b>36,454.25</b>	<b>40,130.78</b>

	Face Value	As at 31st March, 2017		As at 31st December, 2015	
		Nos.	₹ in Million	Nos.	₹ in Million
<b>15. CURRENT INVESTMENTS</b>					
<b>UNQUOTED - Non Trade</b>					
<b>In Units of Mutual Funds</b>					
Birla Sunlife Cashplus-Growth	₹ 100	-	-	1,094	0.25
HDFC PMS Real Estate Fund	₹ 10	-	-	199,660	2.00
IDFC Cash Fund - Growth	₹ 1,000	-	-	33,736	49.75
<b>Total</b>					<b>52.00</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

	(₹ in Million)	
	As at 31st Mar., 2017	As at 31st Dec., 2015
<b>16. INVENTORIES</b>		
Raw Materials including Consumables, Stores and Spares	19,721.78	15,048.52
Materials in Transit and in Bonded Warehouse	2,633.42	2,046.16
Work-in-Process	1,470.15	1,425.49
Finished Goods and Stock in Trade	4,338.03	4,617.72
Drilling and Production Materials	396.56	402.20
Crude Oil	75.25	51.92
<b>Total</b>	<b>28,635.19</b>	<b>23,592.01</b>
<b>17. TRADE RECEIVABLES (Unsecured)</b>		
Outstanding for a period exceeding six months		
Considered Good	663.35	721.19
Considered Doubtful	259.87	249.10
	<b>923.22</b>	<b>970.29</b>
Less: Provision for Doubtful Debts	259.87	249.10
	<b>663.35</b>	<b>721.19</b>
Others - Considered Good	23,339.80	27,864.00
<b>Total</b>	<b>24,003.15</b>	<b>28,585.19</b>
<b>18. CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Cash on hand	5.23	8.36
Cheques/Drafts on hand/in transit	125.76	0.10
Balances with Banks in Current Accounts	310.52	1,398.81
<b>(a)</b>	<b>441.51</b>	<b>1,407.27</b>
<b>Other Bank Balances</b>		
In Dividend Warrant Accounts	8.23	9.43
In Fixed Deposits earmarked towards Site Restoration costs	1,295.41	1,125.88
In Fixed Deposits lien in favour of the Registrar, Supreme Court of India (Refer Note No. 39)	2,574.22	2,574.22
In Other Fixed Deposits:		
a) Maturity 12 months or less:		
- Held as margin money for credit facilities and other commitments	1,128.40	1,273.67
- Provided as security for overdraft facility of ₹ Nil (As at 31st December, 2015 ₹ 20,160.00 Million)	-	20,272.39
b) Maturity more than 12 months:		
- Held as margin money for credit facilities and other commitments	85.08	98.15
<b>(b)</b>	<b>5,091.34</b>	<b>25,353.74</b>
<b>Total (a+b)</b>	<b>5,532.85</b>	<b>26,761.01</b>
<b>19. SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Balance with Central Excise/Customs Department	64.05	47.45
Other Deposits	9.61	8.22
Loans and Advances to Related Parties (Refer Note No. 47)	22.71	41.99
Loans and Advances to Others	104,788.24	105,229.18
<b>Total</b>	<b>104,884.61</b>	<b>105,326.84</b>

	(₹ in Million)	
	As at 31st Mar., 2017	As at 31st Dec., 2015
<b>20. OTHER CURRENT ASSETS</b>		
Interest Accrued	122.14	890.68
Insurance Claim Receivable	0.96	0.46
Other Receivables from Related Parties	342.19	767.56
Other Receivables	171.99	112.28
<b>Total</b>	<b>637.28</b>	<b>1,770.98</b>

	(₹ in Million)	
	15 Months ended 31st Mar., 2017	Year ended 31st Dec., 2015
<b>21. REVENUE FROM OPERATIONS</b>		
Sale of Products	129,289.99	128,733.87
Income from Services	65.80	44.83
Other Operating Revenue	397.41	311.78
<b>Total</b>	<b>129,753.20</b>	<b>129,090.48</b>
<b>21.1 Particulars of Sale of Products</b>		
Electrical and Electronic items	122,924.09	120,678.13
Crude Oil and Natural Gas	6,204.97	7,893.77
Electricity (Power)	160.93	161.97
<b>Total</b>	<b>129,289.99</b>	<b>128,733.87</b>

	(₹ in Million)	
	15 Months ended 31st Mar., 2017	Year ended 31st Dec., 2015
<b>22. OTHER INCOME</b>		
Interest Income	1,391.33	1,564.85
Income from Investments and Securities Division (Refer Note No. 32.2)	41.42	2,689.36
Profit on Sale of Fixed Assets	-	12.14
Insurance Claim Received	7.10	5.61
Exchange Rate Fluctuation	156.70	-
Other Non Operating Income	3,395.44	4,171.37
<b>Total</b>	<b>4,991.99</b>	<b>8,443.33</b>

	15 Months ended 31st Mar., 2017		Year ended 31st Dec., 2015	
	Percentage	₹ in Million	Percentage	₹ in Million
<b>23. COST OF MATERIALS CONSUMED</b>				
Imported	44.77	19,826.32	29.32	11,942.79
Indigenous	55.23	24,458.40	70.68	28,790.25
<b>Total</b>	<b>100.00</b>	<b>44,284.72</b>	<b>100.00</b>	<b>40,733.04</b>

	(₹ in Million)	
	15 Months ended 31st Mar., 2017	Year ended 31st Dec., 2015
<b>23.1 Particulars of Materials Consumed</b>		
Printed Circuit Board (All types)	9,716.74	8,989.09
Active & Passive Components	10,716.85	9,823.27
Plastic and Wooden Parts	8,019.46	7,403.93
Other Raw Materials	15,831.67	14,516.75
<b>Total</b>	<b>44,284.72</b>	<b>40,733.04</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

	(₹ in Million)			(₹ in Million)	
	15 Months ended 31st Mar., 2017	Year ended 31st Dec., 2015		15 Months ended 31st Mar., 2017	Year ended 31st Dec., 2015
<b>24. PURCHASES OF STOCK-IN-TRADE</b>			Sales Promotion Expenses	200.13	190.65
Electrical and Electronic items	43,055.27	39,919.33	Discount and Incentive Schemes	7,228.30	5,601.33
<b>Total</b>	<b>43,055.27</b>	<b>39,919.33</b>	Banking and Other Finance Charges	1,080.63	166.45
<b>25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE</b>			Payment to Auditors (Refer Note No. 32.5)	23.82	16.77
<b>Closing Inventories</b>			Donation	-	55.59
Finished Goods and Stock-in-Trade	4,413.28	4,669.64	[Includes amount paid to Nationalist Congress Party ₹ Nil (Previous year ₹ 2.50 Million) and paid to Shiv Sena ₹ Nil (Previous year ₹ 36.80 Million)]		
Work-in-Process	1,470.15	1,425.49	Directors' Sitting Fees	1.31	1.30
<b>(a)</b>	<b>5,883.43</b>	<b>6,095.13</b>	Legal and Professional Charges	399.01	372.35
<b>Opening Inventories</b>			Royalty	387.92	334.86
Finished Goods and Stock-in-Trade	4,669.64	5,015.80	Printing and Stationery	16.51	21.45
Work-in-Process	1,425.49	1,288.29	Warranty and Maintenance	1,291.10	986.09
<b>(b)</b>	<b>6,095.13</b>	<b>6,304.09</b>	Provision for Doubtful Debts	11.00	14.56
<b>(b-a)</b>	<b>211.70</b>	<b>208.96</b>	Exchange Rate Fluctuation	-	535.71
<b>26. PRODUCTION AND EXPLORATION EXPENSES - OIL AND GAS</b>			Loss on Sale of Fixed Assets	100.84	-
Production and Exploration Expenses	696.72	1,508.08	Office and General Expenses	1,179.24	948.34
Royalty	182.48	180.06	<b>Total</b>	<b>17,143.60</b>	<b>13,844.09</b>
Cess	219.12	269.65	<b>30. TAX EXPENSE</b>		
Production Bonus	38.04	38.33	Current Tax	-	-
Government Share in Profit Petroleum	2,922.98	2,957.60	Deferred Tax	(3,375.07)	(48.99)
Insurance Expenses	13.55	37.31	<b>Total</b>	<b>(3,375.07)</b>	<b>(48.99)</b>
<b>Total</b>	<b>4,072.89</b>	<b>4,991.03</b>	<b>31. EARNINGS PER SHARE</b>		
<b>27. EMPLOYEE BENEFITS EXPENSE</b>			i) Net Profit/(Loss) attributable to Equity Shareholders	(19,156.75)	(558.05)
Salary, Wages and Other Benefits	3,433.73	2,580.22	ii) Weighted Average Number of Equity Shares considered for calculation of Basic EPS	334,458,875	334,458,875
Contribution to Provident Fund and Other Funds	183.14	133.34	Weighted Average Number of Equity Shares considered for calculation of Diluted EPS	334,458,875	334,458,875
Staff Welfare Expenses	140.20	120.76	(The effect of conversion option of FCCBs is anti dilutive in nature)		
<b>Total</b>	<b>3,757.07</b>	<b>2,834.32</b>	iii) Basic Earnings per Share of ₹ 10/- each (₹)	(57.28)	(1.67)
<b>28. FINANCE COSTS</b>			Diluted Earnings per Share of ₹ 10/- each (₹)	(57.28)	(1.67)
Interest Expenses	30,580.66	22,640.93	<b>32. ADDITIONAL NOTES TO FINANCIAL STATEMENTS</b>		
Other Borrowing Costs	396.68	742.86	<b>32.1</b> During the period, there is a write back of ₹ 1.51 Million (Previous year ₹ 10.05 Million) against the diminution recognised in earlier years in the value of investments.		
Applicable Net Loss on Foreign Currency Transactions and Translations	-	300.80	<b>32.2</b> 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 ₹ 0.95 Million (Previous year ₹ 0.10 Million), interest on bonds of ₹ Nil (Previous year ₹ 0.54 Million) and profit on sale/disposal of investments of ₹ 27.26 Million (Previous year ₹ 2,056.55 Million).		
<b>Total</b>	<b>30,977.34</b>	<b>23,684.59</b>			
<b>29. OTHER EXPENSES</b>					
Power, Fuel and Water	448.98	720.88			
Freight and Forwarding	1,602.11	1,251.92			
Vehicle Running Expenses	454.12	357.53			
Rent	196.82	217.84			
Rates and Taxes	158.01	151.62			
Repairs to Building	8.90	15.88			
Repairs to Plant and Machinery	71.51	60.27			
Other Repairs and Maintenance	51.64	45.91			
Insurance	62.07	43.05			
Advertisement and Publicity	2,169.63	1,733.74			

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

	(₹ in Million)	
	15 Months ended 31st Mar., 2017	Year ended 31st Dec., 2015
<b>32.3 C.I.F. Value of Imports, Expenditure and Earnings in Foreign Currency</b>		
a) C.I.F. Value of Imports:		
Raw Materials	30,656.21	19,573.17
Capital Goods (including advances)	190.15	127.00
b) Expenditure incurred in Foreign Currency:		
Interest and Bank Charges	537.92	1,367.77
Royalty	402.35	310.44
Travelling	14.71	22.69
Others	326.16	216.02
c) Other Earnings/Receipts in Foreign Currency:		
F.O.B. Value of Exports	5,625.73	3,768.87
Others (including reimbursement of Expenses)	4,837.00	6,169.39
	15 Months ended 31st Mar., 2017	Year ended 31st Dec., 2015
<b>32.4 Remittance in Foreign Currency on account of Dividend</b>		
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
b) Number of Equity Shares held by them	-	51,850,514
c) Gross Amount of Dividend (₹ in Million)	-	103.70
d) Year to which dividend relates	-	FY 2014
	(₹ in Million)	
	15 Months ended 31st Mar., 2017	Year ended 31st Dec., 2015
<b>32.5 Payment to Auditors</b>		
a) Statutory Audit Fees	12.00	8.80
b) Tax Audit Fees	2.80	1.40
c) Out of Pocket Expenses	0.30	0.24
d) Other Services	8.72	6.33
<b>Total</b>	<b>23.82</b>	<b>16.77</b>

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)	
	15 Months ended 31st Mar., 2017	Year ended 31st Dec., 2015
a) Amount at the beginning of the period/year	638.25	648.46
b) Additional provision made during the period/year	639.23	638.25
c) Amount used	616.97	619.07
d) Unused amount reversed during the period/year	21.28	29.39
e) Amount at the end of the period/year	639.23	638.25

### 34. EMPLOYEE BENEFITS:

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

#### A) Defined Contribution Plans:

Amount of ₹ 183.14 Million (Previous year ₹ 133.34 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 Mar., 2017	31st Dec., 2015	31st Mar., 2017	31st Dec., 2015
I) The amounts recognised in the Balance Sheet as at the end of the period/year:				
a) Present value of Defined Benefit Obligation	331.19	293.19	74.17	65.70
b) Fair value of Plan Assets	90.52	77.04	-	-
c) Funded Status - Surplus/(Deficit)	(240.67)	(216.15)	(74.17)	(65.70)
d) Net Assets/(Liability)				
i) Non Current	(210.36)	(192.05)	(65.07)	(57.87)
ii) Current	(30.31)	(24.10)	(9.10)	(7.83)
II) The amounts recognised in the Statement of Profit and Loss for the period/year:				
a) Current Service Cost	36.57	31.15	16.31	11.11
b) Interest Cost	26.68	19.71	6.05	4.40
c) Actuarial (Gains)/ Losses	10.45	19.24	14.55	19.87
d) Actual return on Plan Assets	7.34	6.75	-	-
e) Total Expenses	66.36	63.35	36.91	35.38
III) The changes in Obligations during the period/ year:				
a) Present value of Defined Benefit Obligation at the beginning of the period/ year	293.19	256.37	65.70	54.62
b) Current Service Cost	36.57	31.15	16.31	11.11
c) Interest Cost	26.68	19.71	6.05	4.40
d) Actuarial (Gains)/ Losses	10.45	19.24	14.55	19.87
e) Past Service Cost	3.72	0.95	0.64	0.49
f) Benefit Payments	39.42	34.23	29.08	24.79
g) Present value of Defined Benefit Obligation at the end of the period/year	331.19	293.19	74.17	65.70



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

	(₹ in Million)			
	Gratuity		Leave Encashment	
	31st Mar., 2017	31st Dec., 2015	31st Mar., 2017	31st Dec., 2015
IV) The changes in Plan Assets during the period/ year:				
a) Plan Assets at the beginning of the period/ year	77.04	75.89	-	-
b) Contribution by Employer	18.83	15.37	-	-
c) Actual Benefits paid	12.69	20.97	-	-
d) Plan Assets at the end of the period/year	90.52	77.04	-	-
e) Actual return on Plan Assets	7.34	6.75	-	-
V) Actuarial Assumptions				
a) Discount Rate	-	7.00% and 7.50% per annum		
b) Mortality	-	Indian Assured Lives Mortality (2006-08) Ultimate		
c) Turnover Rate	-	5% at younger ages reducing to 1% at older ages		
d) Future Salary Increase	-	5% per annum		

	(₹ in Million)	
	As at 31st Mar., 2017	As at 31st Dec., 2015
<b>35. CONTINGENT LIABILITIES AND COMMITMENTS</b>		
<b>A) Commitments</b>		
Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	685.36	521.50
<b>B) Contingent Liabilities not provided for:</b>		
i) Letters of Guarantees	37,705.16	44,693.93
ii) Letters of Credit opened (including Standby Letters of Credit and Letter of Comfort)	7,423.82	100,215.32
iii) Claims against the Company not acknowledged as debts		
a) Custom Duty demands and penalties under dispute [Amount paid under protest ₹ 0.17 Million (As at 31st December, 2015 ₹ 0.07 Million)]	453.94	644.18
b) Income Tax demands under dispute	2,932.00	1,088.98
c) Excise Duty and Service Tax demands and penalties under dispute [Amount paid under protest ₹ 53.60 Million (As at 31st December, 2015 ₹ 34.02 Million)]	1,383.46	1,272.80
d) Sales Tax demands under dispute [Amount paid under protest ₹ 83.95 Million (As at 31st December, 2015 ₹ 73.49 Million)]	846.82	1,120.21
e) Others [Amount paid under protest ₹ 50.00 Million (As at 31st December, 2015 ₹ 50.00 Million)]	2,186.97	2,175.72

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 ₹ 263.72 Million (As at 31st December, 2015 ₹ 420.13 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 ₹ 65.93 Million (As at 31st December, 2015 ₹ 105.03 Million).

g) Disputed Income Tax demand amounting to ₹ 22.29 Million (As at 31st December, 2015 ₹ 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, 2015 ₹ 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 that 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 (RTL 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 Electroworld Digital Solutions Limited (formerly Videocon International Electronics Limited). Further, Videocon Telecommunications Limited, the subsidiary, is also inducted as co-obligor in the said facility agreement with the consortium of RTL Lenders as mentioned in Note No. 5.1(a)(i) above.

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 were allocated to respective Obligors based on their outstanding amount as on 31st December, 2011 and the lenders have also directly disbursed further amounts to some of the 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 March, 2017 of ₹ 50,822.98 Million (As at 31st December, 2015 ₹ 29,668.18 Million).

38. The Consortium of various banks have sanctioned the Letter of Comfort (LoC)/Stand-by Letters of Credit (SBLC) facilities to its subsidiaries Videocon Oil Ventures Limited (VOVL) and / or Videocon Hydrocarbon Holdings Limited (VHHL) (referred to as 'Obligors') to secure the foreign currency facilities

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

raised / to be raised by VHHL 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, corporate guarantee of the Company 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 facilities of Obligors to the extent of ₹ 198,943.99 Million (As at 31st December, 2015 ₹ 91,480.10 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 the 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 € 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 *ex parte* 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 is contesting the said *ex parte* decree on merit. The Company has been advised by the legal counsel that decree passed by Turin Court is *ex parte* 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.

In order to buy peace, the Company filed application with the Adjudication Authority who vide order dated 20th April, 2017 determined that the declared value of the Company is liable to be rejected and redetermined under Customs Valuation Rules read with Section 14 of the Customs Act, 1962 and the Company is liable to payment of anti-dumping duty amounting to ₹ 687.49 Million payable on the import of CPTs and the penalty of equivalent amount along with interest thereon under Section 114A of the Customs Act, 1962. Further, the Adjudication Authority imposed a penalty of ₹ 0.50 Million on the Company on High Sea Sales under Section 112(a) of the Customs Act, 1962. The Company has been advised by its counsels that the Order passed by Adjudication Authority is untenable in the court of laws and, accordingly, the Company is considering filing of appeal against the said order. Hence, 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, 2015 ₹ 75,002.03 Million) and given advances of ₹ Nil (As at 31st December, 2015 ₹ 1,313.21

Million) to Videocon Telecommunications Limited (VTL), the subsidiary. VTL was granted the license for providing Unified Access Services (UAS) in 21 circles by the Department of Telecommunications, Government of India (DoT) in 2008 and was also allotted spectrum in 20 circles. The Hon'ble Supreme Court of India, vide its judgment dated 2nd February, 2012, quashed all the UAS licenses granted on or after 10th January, 2008 and the subsequent allocation of spectrum to these licensees, which also included the 21 UAS licenses granted to VTL and the spectrum allotted to it.

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 was 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 ₹ 46,530.00 Million, in terms of the Guidelines for Trading of Access Spectrum by Access Service Providers dated 12th October, 2015 and the said transaction has been concluded on 24th May, 2016.

Though VTL has huge accumulated losses, its networth is positive and the management is confident of continuing its commercial operations in the National Long Distance (NLD) and International Long Distance (ILD) Business. 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 Sharing Contract (PSC). Other members of the JV are Oil and Natural Gas Corporation Limited, Vedanta Limited (erstwhile Cairn India Limited) and Ravva Oil (Singapore) Pte. Limited. The parties have pursuant to the PSC, entered into a Joint Operating Agreement. Vedanta Limited is the Operator. The PSC period expires in October, 2019. The JV Parties have commenced discussions on seeking an extension to the permit by 10 years as allowed under the PSC and for which guidelines have been laid down by the Ministry of Petroleum & Natural Gas (MOPNG)/ Directorate General of Hydrocarbons (DGH), to commercially monetize the remaining resources and additional exploration potential in the Block.

### B) Incorporated Jointly Controlled Entities:

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

	₹ in Million	
	31st Mar., 2017	31st Dec., 2015
Company's share in		
Assets	7.65	7.30
Liabilities	7.60	7.25
Income	-	-
Expenses	-	-
Tax	-	-

- C) The estimated amount of commitment of the Company towards contribution in various Joint Ventures for next year based on minimum work program is ₹ 1,075.04 Million (As at 31st December, 2015 ₹ 1,528.78 Million).

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

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 and description of relationship:**

**i) Subsidiaries:**

- Chhattisgarh Power Ventures Private Limited
- Liberty Videocon General Insurance Company Limited
- Middle East Appliances LLC
- Pipavav Energy Private Limited
- Prosperous Energy Private Limited
- Videocon Electronics (Shenzhen) Limited (Chinese Name - Weiyoukang Electronic (Shenzhen) Co., Ltd.)
- Videocon Global Limited
- Videocon Oil Ventures Limited and its subsidiaries
  - Videocon 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
    - Videocon Hydrocarbon Ventures B.V.
    - Videocon Brazil Ventures B.V. and its subsidiary
      - Videocon Brasil Petroleo Ltda
- Electroworld Digital Solutions Limited (formerly 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)
- Videocon Energy Limited and its subsidiary
  - Proficient Energy Private Limited and its subsidiary
    - Applied Energy Private Limited and its subsidiaries
      - Comet Power Private Limited (upto 31st December, 2016) and its subsidiaries
        - Indigo Energy Private Limited (upto 31st December, 2016)
        - Percept Energy Private Limited (upto 31st December, 2016)

**ii) Associates and Joint Ventures:**

- Radium Appliances Private Limited - Associate - 26%
- Unity Power Private Limited - Associate - 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 (upto 30th June, 2016)
- 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 (upto 11th February, 2017)
- Mr. Mandar C. Joshi - Company Secretary (w.e.f. 11th February, 2017)

- B) Transactions and 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
<b>Nature of Transactions</b>			
Revenue from Operations	38.13 (105.79)		
Other Income and Reimbursement of Expenses	9,155.47 (13,502.96)		
Other Expenses	25.90 (15.39)		
Non-Current Investments (net)	12,380.49 (34,566.56)		
Long Term Advances/Loans given	1,390.13 (959.10)		
Short Term Advances/Loans given	0.01 (5.51)	0.01 (0.04)	
Long Term Advances/Loans received back	2,285.34 (34,088.42)		
Short Term Advances/Loans received back	19.29 (116.81)		
Increase in Other Payables	18,452.32 (362.73)		
Decrease in Other Payables	240.75 (4.48)		
Increase in Other Receivables	- (158.43)		
Decrease in Other Receivables	425.37 (16.76)		
Remuneration			84.70 (62.39)
<b>Outstanding as at 31st March, 2017</b>			
Long Term Advances/Loans given	10,549.33 (11,444.54)		
Short Term Advances/Loans given	19.35 (38.63)	3.36 (3.36)	
Other Receivables	342.19 (767.56)		
Other Payables	26,105.04 (7,893.47)		
Non Current Investments	100,679.06 (88,298.57)	0.08 (0.08)	

(Figures in bracket are for the period ended 31st December, 2015)

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

- Revenue from Operations from Videocon Telecommunications Limited ₹ 24.06 Million (Previous year ₹ 105.36 Million) and Middle East Appliances LLC ₹ 14.03 Million (Previous year ₹ Nil).
- Other Income and Reimbursement of Expenses received from Videocon Hydrocarbon Holdings Limited ₹ 4,803.03 Million (Previous year ₹ 6,094.95 Million), Electroworld Digital Solutions Limited ₹ 424.14 Million (Previous year ₹ 2,317.12 Million), Videocon Oil Ventures Limited ₹ 1,786.28 Million (Previous year ₹ 4,871.84 Million) and Videocon Telecommunications Limited ₹ 2,107.91 Million (Previous year ₹ 187.74 Million).
- Other Expenses paid to Videocon Global Limited ₹ 25.51 Million (Previous year ₹ 14.99 Million).
- Investments in equity shares of Electroworld Digital Solutions

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

Limited ₹ 12,380.49 Million (Previous year ₹ 22,254.23), Videocon Telecommunications Limited ₹ Nil (Previous year ₹ 3,807.88 Million) and Videocon Oil Ventures Limited ₹ Nil (Previous year ₹ 8,500.00 Million).

- v) Long Term Advances/Loans Given to Videocon Oil Ventures Limited ₹ 1,390.13 Million (Previous year ₹ Nil) and Videocon Telecommunications Limited ₹ Nil (Previous year ₹ 959.10 Million).
- vi) Long Term Advances/Loan received back from Electroworld Digital Solutions Limited ₹ 985.78 Million (Previous year ₹ 23,525.00 Million), Videocon Oil Ventures Limited ₹ Nil (Previous year ₹ 10,563.42 Million) and Videocon Telecommunications Limited ₹ 1,299.56 Million (Previous year ₹ Nil),
- vii) Short Term Advances/Loans Given to Prosperous Energy Private Limited ₹ Nil (Previous year ₹ 5.45 Million), Radium Appliances Private Limited ₹ 0.01 Million (Previous year ₹ 0.01 Million).
- viii) Short Term Advances/Loan Received back from Prosperous Energy Private Limited ₹ 18.17 Million (Previous year ₹ Nil), Chhattisgarh Power Ventures Private Limited ₹ Nil (Previous year ₹ 60.26 Million) and Pipavav Energy Private Limited ₹ Nil (Previous year ₹ 54.61 Million).
- ix) Increase in Other Payables to Videocon Telecommunications Limited ₹ 18,452.32 Million (Previous year ₹ Nil) and Videocon Mauritius Energy Limited ₹ Nil (Previous year ₹ 330.40 Million).
- x) Decrease in Other Payables of Videocon Mauritius Energy Limited ₹ 207.85 Million (Previous year ₹ Nil) and Proficient Energy Private Limited ₹ Nil (Previous year ₹ 4.48 Million).
- xi) Increase in Other Receivables of Videocon Energy Brazil Limited ₹ Nil (Previous year ₹ 16.50 Million), Videocon Hydrocarbon Holdings Limited ₹ Nil (Previous year ₹ 141.93 Million).
- xii) Decrease in Other Receivables of Videocon Telecommunications Limited ₹ 145.64 Million (Previous year ₹ 15.55 Million) and Videocon Hydrocarbon Holdings Limited ₹ 269.55 Million (Previous year ₹ Nil). Related Parties have been identified by the management and relied upon by the Auditors.

### 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 Mar., 2017	As at 31st Dec., 2015
Electroworld Digital Solutions Limited	Subsidiary	4,221.84	5,207.62
Videocon Oil Ventures Limited	Subsidiary	6,327.49	4,937.36
Videocon Telecommunications Limited	Subsidiary	-	1,299.56

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

50. 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.
51. 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.
52. The figures for the current period are for a period of 15 months whereas the figures of the previous year were for 12 months and hence are not comparable. Previous year figures have been reclassified, regrouped and recasted to conform to the classification of the current period.

As per our report of even date

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

**For KADAM & CO.**  
Chartered Accountants

**BHUPENDRA Y. KARKHANIS**  
Partner  
Membership No. 108336

**U. S. KADAM**  
Partner  
Membership No. 31055

For and on behalf of the Board

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

**R. S. AGARWAL**  
Director  
DIN: 00012594

**MANDAR JOSHI**  
Company Secretary  
Membership No.: A40533

**A. A. GUNE**  
Chief Financial Officer

Place: Mumbai  
Date : 26th May, 2017

(₹ in Million)

Name of the Company		As at 31st Mar., 2017	As at 31st Dec., 2015
Applied Energy Private Limited	Subsidiary	3.27	3.27
Videocon Easypay Private Limited	Subsidiary	-	0.03
Indigo Energy Private Limited	Subsidiary	-	0.03
Liberty General Insurance Company Limited	Subsidiary	-	0.004
Percept Energy Private Limited	Subsidiary	-	1.05
Prosperous Energy Private Limited	Subsidiary	16.08	34.25
Radium Appliances Private Limited	Associate	0.58	0.57
Videocon Infinity Infrastructure Private Limited	Joint Venture	2.79	2.79

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 Mar., 2017	As at 31st Dec., 2015
Crude Oil	Million Metric Tonnes	0.37	0.48
Natural Gas	Million Cubic Metres	28.67	97.67

49. The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016:

(₹ in Million)

Particulars	SBNs (Old ₹ 500 and ₹ 1000 Notes)	Other Denomination Notes	Total
Closing Cash in hand as on 8th November, 2016	13.36	8.00	21.36
(+) Permitted receipts	0.03	14.14	14.17
(-) Permitted payments	0.23	14.62	14.85
(-) Amount deposited in Banks	13.16	3.02	16.18
Closing Cash in hand as on 30th December, 2016	-	4.50	4.50



# 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 associates and jointly controlled entities comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2017, the Consolidated Statement of Profit and Loss the Consolidated Cash Flow Statement for the 15 months period 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 entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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. In 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 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 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 judgment, 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. An audit also includes evaluating the appropriateness of the 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(h) 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

- a) As mentioned in Note No. 45 to the Consolidated Financial Statements, consequent to the agreement to transfer of the right to use 2x5 MHz Spectrum allotted to Videocon Telecommunications Limited (VTL) in its 6 circles with Bharti Airtel Limited, VTL is in process of determining the impairment loss, on its assets including assets held for sale. As the impairment loss, in terms of Accounting Standard 28 – 'Impairment of Assets' has not been determined, the consequential effect of the above on assets and liabilities as at 31<sup>st</sup> March, 2017 and loss for the period ended on that date is not ascertainable.
- b) As mentioned in Note No. 46 to the Consolidated Financial Statements, VTL had given advances to Quadrant Televentures Limited (QTL) of ₹ 12,193.97 Million for the proposed acquisition of indefeasible right of use (IRU) the UAS License of Punjab circle, subject to regulatory approvals. Out of this, an amount of ₹ 12,000.00 Million was converted into Unsecured Zero Coupon Compulsorily Convertible Debentures on 29<sup>th</sup> March, 2017. However, in view of the huge accumulated losses of QTL, we are unable to ascertain the extent of the realizability of aforesaid advances and investments. The consequential effect of the above on assets and liabilities as at 31<sup>st</sup> March, 2017 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 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 31<sup>st</sup> March, 2017, and their consolidated loss and their consolidated cash flows for the period ended on that date.

### 6. Emphasis of Matter:

- a) Attention is invited to Note No. 47 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, Videocon Energy Brazil Limited, and the joint venture IBV Brasil Petroleo Limitada have in their respective reports on separate financial statements, 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 respective management of the aforesaid subsidiary companies, are confident of mobilizing the necessary resources for continuing the operations of each of 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 report for preceding financial year also contained similar emphasis of matter.

- b) As mentioned in Note No. 43 and 44 of the accompanying Consolidated Financial Statements, during the period VTL has incurred a net loss before extraordinary items of ₹ 13,344.61 Million and has accumulated losses of ₹ 62,941.06 Million as at 31<sup>st</sup> March, 2017. Also, VTL has traded the right to use 2x5 MHz Spectrum allotted to it in 6 circles, in terms of the Guidelines for Trading of Access Spectrum by Access Service Providers dated 12<sup>th</sup> October, 2015 issued by the WPC Wing of the Department of Telecommunications, (DoT), Government of India (Spectrum Trading Guidelines), which has resulted in closure of GSM (Global System for Mobile Communications) business operations of VTL in all 6 circles. These factors raise a doubt that VTL will not be able to continue as a going concern. However, the management of VTL is confident of generating cash flows from its continuing commercial operations in the National Long-Distance and International Long-Distance business and with continuing support of its significant shareholders to fund the operating and capital fund requirements. Accordingly, the financial statements of VTL have been prepared on a going concern basis

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

## 7. Other Matters

- a) We did not jointly audit the financial statements of 18 subsidiaries whose financial statements reflect total assets of ₹ 200,718.06 Million as at 31<sup>st</sup> March 2017, total revenue of ₹ 322.53 Million and net cash flows amounting to ₹145.50 Million for the period ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by one of us.
- b) We did not audit the financial statements of 3 subsidiaries whose financial statements reflect total assets of ₹ 10,068.88 Million as at 31<sup>st</sup> March 2017, total revenue of ₹ 5,705.54 Million and net cash flows amounting to ₹183.91 Million for the period 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.
- c) The accompanying consolidated financial results include total assets of ₹ 70,813.83 Million as at 31<sup>st</sup> March, 2017 and total revenue of ₹ 142.71 Million and net cash flows amounting to ₹ (11,489.28) Million for the period ended on that date in respect of 4 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.
- d) The accompanying consolidated financial statements includes total assets of ₹ 70,625.30 Million as at 31<sup>st</sup> March, 2017, total revenue of ₹ Nil and net cash flows amounting to ₹ (11,488.74) Million for the period ended on that date in respect of 2 foreign subsidiary company and 1 jointly controlled entity outside India, for which the Company has received audited financial statements for the year ended 31<sup>st</sup> December 2016 (which have been audited by other auditor) and unaudited financial statements for the period 1<sup>st</sup> January, 2017 to 31<sup>st</sup> March, 2017 on which we have placed reliance.
- e) The consolidated financial statements also include the Company's share of profit of ₹ 25.47 Million for the period ended 31<sup>st</sup> March, 2017, 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 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 Ravva Oil and Gas Field Joint Venture through a Production Sharing Contract (PSC). The Company has received the audited financial statements upto 31<sup>st</sup> March, 2017 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 ₹ 5.92 Million as at 31<sup>st</sup> March 2017, total revenue of ₹ Nil and net cash flows amounting to ₹ Nil for the period 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.
- h) As mentioned in Note No. 37, to the Consolidated Financial Statements, Intesa Sanpaolo S.p.A., an Italian bank (Intesa), initiated winding up proceedings against the Videocon Industries Limited (VIL) on the basis of 'Patronage Letter' issued by the VIL to the said Italian bank in June,

2007 for financial assistance given to the one level step down subsidiary, M/s. VDC Technologies S.p.A., an Italian defunct company acquired by the then subsidiary of VIL, M/s. Eagle Corporation Limited registered in Cayman Island, which was disputed by VIL and the matter was pending before the Hon'ble Supreme Court. Subsequent to the date of approval of standalone financial statements of VIL, the said dispute has been settled at € 21.00 Million equivalent to ₹ 1,434.31 Million by order of the Hon'ble Supreme Court in terms of the consent terms filed by both the parties. The effect of the said settlement will be accounted for in the financial year 2017-18.

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.

#### 8. Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on consideration of the reports of other auditors on separate financial statements and other financial information of subsidiaries, associates and joint ventures referred in the Other Matters paragraph above, 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.
- e) *The matter relating to the preparation of financial statements of subsidiaries and the joint ventures entity on going concern basis 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 31<sup>st</sup> March, 2017 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 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Reports in "Annexure A" which is based on the auditors' report of the Holding Company, subsidiary companies, associates and joint ventures. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company, its subsidiary companies, associates and jointly controlled companies', internal financial controls over financial reporting.
- h) With respect to the other matters to be included in the Auditor's Report in accordance 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, associates companies and jointly controlled companies incorporated in India.
  - iv) The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 of the Group entities as applicable. Based on consideration of audit reports of the Holding Company and subsidiary companies, which are companies incorporated in India, we report that the disclosures are in accordance with the books of account maintained by those entities for the purpose of preparation of the Consolidated Financial Statements and as produced to us/other auditors by the Management of the respective Group entities.

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

**BHUPENDRA Y. KARKHANIS**  
Partner  
Membership No. 108336

Place: Mumbai  
Date: 24<sup>th</sup> November, 2017

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

**U. S. KADAM**  
Partner  
Membership No. 31055

# ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF VIDEOCON INDUSTRIES LIMITED

(Referred to in paragraph 8 (g) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

## Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the period ended 31<sup>st</sup> March, 2017, we have audited the internal financial controls over financial reporting of **VIDEOCON INDUSTRIES LIMITED** (hereinafter referred to as “Holding Company”), its subsidiary companies (together referred to as “the Group”), its associates and jointly controlled entities on that date.

### Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, associates and jointly controlled entities are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associates and jointly controlled entities in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors as referred to in the Other Matters paragraph, the Holding Company, its subsidiary companies, associates and jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by these entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 13 subsidiary companies and 2 associates which are companies incorporated in India, is based on the corresponding reports of the auditors of such company.

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

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

**BHUPENDRA Y. KARKHANIS**  
*Partner*  
Membership No. 108336

**U. S. KADAM**  
*Partner*  
Membership No. 31055

Place: Mumbai  
Date : 24<sup>th</sup> November, 2017

## CONSOLIDATED BALANCE SHEET

### As at 31st March, 2017

(₹ in Million)

Particulars	Note No.	As at 31st Mar., 2017	As at 31st Dec., 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' Funds</b>			
a) Share Capital	3	3,344.59	3,344.59
b) Reserves and Surplus	4	55,607.14	77,555.68
		<b>58,951.73</b>	<b>80,900.27</b>
<b>2) Minority Interest</b>		<b>2,476.98</b>	<b>703.58</b>
<b>3) Grant for Ozone Project</b>	5	<b>56.32</b>	<b>61.42</b>
<b>4) Non-Current Liabilities</b>			
a) Long Term Borrowings	6	356,156.93	324,887.97
b) Deferred Tax Liability (Net)	7	3,668.45	7,043.60
c) Long Term Provisions	8	1,659.11	2,135.80
		<b>361,484.49</b>	<b>334,067.37</b>
<b>5) Current Liabilities</b>			
a) Short Term Borrowings	9	26,699.61	49,757.05
b) Trade Payables	10		
- Micro, Small and Medium Enterprises		520.80	97.62
- Others		24,932.81	17,924.60
c) Other Current Liabilities	11	84,410.87	115,736.80
d) Short Term Provisions	12	3,329.95	2,452.83
		<b>139,894.04</b>	<b>185,968.90</b>
		<b>139,894.04</b>	<b>185,968.90</b>
<b>TOTAL</b>		<b>562,863.56</b>	<b>601,701.54</b>
<b>II. ASSETS</b>			
<b>1) Non-Current Assets</b>			
a) Fixed Assets	13		
i) Tangible Assets		51,246.45	66,517.26
ii) Intangible Assets		412.17	19,572.08
iii) Capital work-in-progress		158,803.59	117,797.05
b) Pre-Operative Expenditure Pending Allocation	14	1,686.15	1,686.29
c) Goodwill on Consolidation		11,082.17	11,093.36
d) Non-Current Investments	15	40,598.58	26,340.11
e) Long Term Loans and Advances	16	34,010.41	42,132.89
		<b>297,839.52</b>	<b>285,139.04</b>
<b>2) Current Assets</b>			
a) Current Investments	17	1,637.90	1,428.67
b) Inventories	18	28,660.70	23,649.06
c) Trade Receivables	19	24,439.63	30,477.79
d) Cash and Bank Balances	20	12,400.67	42,102.65
e) Short Term Loans and Advances	21	187,403.38	217,362.85
f) Other Current Assets	22	10,481.76	1,541.48
		<b>265,024.04</b>	<b>316,562.50</b>
		<b>265,024.04</b>	<b>316,562.50</b>
<b>TOTAL</b>		<b>562,863.56</b>	<b>601,701.54</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes forming part of the Financial Statements</b>	2 to 58		

As per our report of even date

For and on behalf of the Board

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

**For KADAM & CO.**  
Chartered Accountants

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

**S. S. DAYAMA**  
Director  
DIN: 00217692

**BHUPENDRA Y. KARKHANIS**  
Partner  
Membership No. 108336

**U. S. KADAM**  
Partner  
Membership No. 31055

**MANDAR JOSHI**  
Company Secretary  
Membership No.: A40533

**A. A. GUNE**  
Chief Financial Officer

Place: Mumbai  
Date : 24<sup>th</sup> November, 2017

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the period 1st January, 2016 to 31st March, 2017

(₹ in Million)

Particulars	Note No.	15 Months ended 31st Mar., 2017	Year ended 31st Dec., 2015
<b>I. INCOME</b>			
Revenue from Operations	23	143,892.01	142,944.26
Less: Excise Duty		6,459.20	4,908.35
Net Revenue from Operations		137,432.81	138,035.91
Other Income	24	4,726.73	5,226.78
<b>Total Income</b>		<b>142,159.54</b>	<b>143,262.69</b>
<b>II. EXPENSES</b>			
Cost of Materials Consumed		44,284.86	40,733.04
Purchase of Stock-in-Trade		43,058.10	39,934.45
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	25	212.10	213.35
Production and Exploration Expenses - Oil and Gas	26	4,072.89	4,991.03
Access Charges, License Fees and Network Expenses	27	14,424.20	9,908.02
Employee Benefits Expense	28	5,557.81	4,520.95
Finance Costs	29	48,365.94	31,910.90
Depreciation and Amortisation	13	8,909.76	10,411.87
Impairment of Assets [Refer Note No. 48(B)(b)]		8,498.49	-
Other Expenses	30	24,409.78	22,819.92
<b>Total Expenses</b>		<b>201,793.93</b>	<b>165,443.53</b>
<b>III. Profit/(Loss) Before Extraordinary Item and Tax</b>		<b>(59,634.39)</b>	<b>(22,180.84)</b>
<b>IV. Extraordinary Item [Refer Note No. 43(C)]</b>		<b>27,921.64</b>	<b>-</b>
<b>V. Profit/(Loss) Before Tax</b>		<b>(31,712.75)</b>	<b>(22,180.84)</b>
Add: Share in Profit of Associates		25.47	20.28
Add: Profit/(Loss) on Disposal/Dilution of holding in Subsidiaries/Associates		1,410.27	-
<b>VI. Tax Expense</b>	31	<b>(3,375.26)</b>	<b>(48.72)</b>
<b>VII. Profit/(Loss) Before Minority Interest</b>		<b>(26,901.75)</b>	<b>(22,111.84)</b>
Add/(Less): Minority Interest		(188.25)	249.54
<b>VIII. Net Profit/(Loss) from Continuing and Discontinued Operations</b>		<b>(27,090.00)</b>	<b>(21,862.30)</b>
<b>IX. Profit/(Loss) from Continuing Operations Before Tax</b>		<b>(50,778.79)</b>	<b>(18,003.15)</b>
<b>Tax Expense</b>		<b>(3,375.26)</b>	<b>(48.72)</b>
<b>X. Profit/(Loss) from Continuing Operations After Tax</b>		<b>(47,403.53)</b>	<b>(17,954.43)</b>
<b>XI. Profit/(Loss) from Discontinued Operations Before Tax</b>		<b>20,313.53</b>	<b>(3,907.87)</b>
<b>Tax Expense</b>		<b>-</b>	<b>-</b>
<b>XII. Profit/(Loss) from Discontinued Operations After Tax</b>		<b>20,313.53</b>	<b>(3,907.87)</b>
<b>XIII. Net Profit/(Loss) from Continuing and Discontinued Operations</b>		<b>(27,090.00)</b>	<b>(21,862.30)</b>
<b>XIV. Earnings per Equity Share of face value ₹ 10/- each</b>	32		
Basic and Diluted EPS before Extraordinary Items		(164.48)	(65.37)
Basic and Diluted EPS after Extraordinary Items		(81.00)	(65.37)
<b>Significant Accounting Policies</b>	1		
<b>Notes forming part of the Financial Statements</b>	2 to 58		

As per our report of even date

For and on behalf of the Board

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

**For KADAM & CO.**  
Chartered Accountants

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

**S. S. DAYAMA**  
Director  
DIN: 00217692

**BHUPENDRA Y. KARKHANIS**  
Partner  
Membership No. 108336

**U. S. KADAM**  
Partner  
Membership No. 31055

**MANDAR JOSHI**  
Company Secretary  
Membership No.: A40533

**A. A. GUNE**  
Chief Financial Officer

Place: Mumbai  
Date : 24<sup>th</sup> November, 2017

## CONSOLIDATED CASH FLOW STATEMENT

For the period 1st January, 2016 to 31st March, 2017

Particulars	(₹ in Million)	
	15 Months ended 31st Mar., 2017	Year ended 31st Dec., 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before Extraordinary Item and Tax	(59,634.39)	(22,180.84)
Adjustments for:		
Depreciation and Amortisation	8,909.76	10,411.87
Impairment of Assets	8,498.49	-
Finance Costs	48,365.94	31,910.90
Provision for Leave Encashment	(6.41)	10.56
Provision for Gratuity	(2.33)	39.02
Provision for Warranty and Maintenance Expenses	0.98	(10.21)
Provision for Abandonment and Site Restoration Costs	(477.29)	78.23
Provision for Doubtful Debts	20.86	24.29
Provision for Incentive Payment	(105.10)	122.69
Reserve for Unexpired Risk	990.58	408.08
Interest Income	(2,043.00)	(1,951.50)
(Write back) in Value of Investments - Net	(1.51)	(10.05)
Income from Investments and Securities Division/Profit on Sale of Investments	(63.11)	(3,032.33)
(Profit)/Loss on Sale/Discard of Fixed Assets	237.79	(31.41)
Minority Interest for the period/year	(188.25)	249.54
Adjustment of Grant	(5.10)	(2.98)
<b>Operating Profit before Working Capital Changes</b>	<b>4,497.91</b>	<b>16,035.86</b>
Adjustments for:		
Inventories	(5,011.64)	454.66
Trade Receivables	6,017.30	(366.42)
Loans and Advances	38,245.05	(17,592.79)
Other Current Assets	381.09	(640.98)
Trade Payables	7,431.39	675.43
Other Current Liabilities	4,153.13	1,443.41
Cash generated from Operations	55,714.23	9.17
Less: Taxes Paid (Net)	162.99	12.41
<b>Net Cash Generated/(used in) Operating Activities</b>	<b>(A) 55,551.24</b>	<b>(3.24)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets, Impairment of Fixed Assets/Adjustment on account of disposal/cessation of Subsidiaries (Net)	38,134.39	270.81
(Increase) in Fixed Assets (Including Capital Work-in-Progress)	(43,755.98)	(11,375.72)
Receipt of Grant for Ozone Project	-	64.40
Decrease/(Increase) in Pre-Operative Expenditure pending Allocation	0.14	(27.62)
Share in Profit of Associates	25.47	20.28
Adjustment on Disposal/Dilution of Subsidiaries/Associates	1,410.27	-
Interest Income	2,043.00	1,951.50
Decrease in Other Bank Balances	18,558.90	28,150.17
(Purchase) of Investments (Net)	(14,466.19)	(4,082.31)
Decrease/(Increase) in Goodwill on Consolidation	11.19	(13.83)
Income from Investments and Securities Division/Profit on Sale of Investments	63.11	3,032.33
<b>Net Cash from Investing Activities</b>	<b>(B) 2,024.30</b>	<b>17,990.01</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Decrease) in Securities Premium on account of disposal of subsidiaries	(16.81)	-
Increase in Foreign Currency Translation Reserve on Consolidation	5,158.27	710.14
Increase/(Decrease) in Minority Interest	1,773.40	(249.54)
(Decrease)/Increase in Long Term Borrowings	(4,208.90)	19,135.39
(Decrease)/Increase in Short Term Borrowings	(23,057.44)	3,316.61
Finance Costs	(48,365.94)	(31,910.90)
Payment of Dividend	(1.20)	(234.11)
Tax on Dividend	-	(46.65)
<b>Net Cash (used in) Financing Activities</b>	<b>(C) (68,718.62)</b>	<b>(9,279.06)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(A+B+C) (11,143.08)</b>	<b>8,707.71</b>
Cash and Cash Equivalents at beginning of the period/year	13,473.66	4,765.95
Cash and Cash Equivalents at end of the period/year	2,330.58	13,473.66
Other Bank Balances	10,070.09	28,628.99
<b>Cash and Bank Balances at the end of the period/year (Note No. 20)</b>	<b>12,400.67</b>	<b>42,102.65</b>

As per our report of even date

For and on behalf of the Board

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

**For KADAM & CO.**  
Chartered Accountants

**V. N. DHOOT**  
Chairman & Managing Director  
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Company Secretary  
Membership No.: A40533

**A. A. GUNE**  
Chief Financial Officer

Place: Mumbai  
Date : 24<sup>th</sup> November, 2017



## 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. 15 months ended 31st March, 2017.
- 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 of India (IRDAI) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the IRDAI regulations') and related circulars, orders and directions issued by the IRDAI 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 IRDAI 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 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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 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 amortized 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 recognized.

### 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. Assets consisting ₹ 5,000 or less are fully depreciated in the year of purchase.

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

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

### I. Impairment of Assets:

The Fixed Assets or a group of assets (cash generating unit) and Producing Properties are reviewed for impairment at each Balance

Sheet date. In case of any such indication, the recoverable amount of these assets or group of assets is determined, and if such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the impairment loss is recognised by writing down such assets and producing properties to their recoverable amount. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

### J. Pre-Operative Expenditure during construction period pending allocation:

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

### K. Investments:

- a) Current Investments: Current Investments are carried at lower of cost or quoted/fair value.
- b) Non Current Investments: Non Current Investments are stated at cost. The decline in the value of the investment, other than temporary, is provided for.
- c) Cost is inclusive of brokerage, fees and duties but excludes Securities Transaction Tax.
- d) Investments in respect of Insurance Business:
  - i) Investments are made in accordance with the Insurance Act, 1938, the IRDAI (Investment) regulations, 2000 as amended and various other circulars/notifications issued by IRDAI in the context from time to time. Investments are recorded on trade date at cost. Cost includes brokerage, transaction taxes, etc. and excludes pre-acquisition interest, if any.
  - ii) Classification:
 

Investments maturing within twelve months from balance sheet date and investments made with the specific intention to dispose off within twelve months from balance sheet date are classified as Current Investments. Investments other than Current Investments are classified as Non Current Long Term Investments.
  - iii) Valuation:
 

All debt securities are considered as 'held to maturity' and accordingly stated at historical cost adjusted for amortization of premium or accretion of discount as recognised in the revenue and profit and loss accounts.

Mutual Fund units are stated at their Net Asset Value (NAV) at the balance sheet date. Unrealised gains/losses are credited/debited to the Fair Value Change account.

### 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 bringing the inventories to their present location and condition. Cost is determined on Weighted Average Basis.

### M. Borrowing Costs:

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

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

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

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

### O. Revenue Recognition:

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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

Interest income on investments is recognized on accrual basis. Accretion of discount and amortization of premium, as the case may be, in respect of fixed income securities is recognized on the basis of 'internal rate of return' over the period of maturity/holding. The realized gain or loss on the securities is the difference between the sale consideration and the carrying value in the books of the Company as on the date of sale determined on weighted average cost basis.
- 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. In case of premium retroceded by the Terrorism pool, reserve for unexpired risk is created at 50% of the retroceded premium during the period/year.
  - b) Reinsurance Ceded:
 

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

Claims incurred comprise claims paid, estimated liability for outstanding claims made following a loss occurrence reported and includes estimated liability for claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER). Further, claims paid include claims settlement costs, comprising survey, legal and other fees, other attributable expenses and net of recoveries on salvage retained by the insured.

Claims (net of amounts receivable from reinsurers/coinsurers) are recognised as and when reported based on internal management estimates or on estimates from surveyors/insured in the respective revenue account(s). The related amounts recoverable from reinsurer/coinsurer are recorded simultaneously along with claims. Claims paid (net of recoveries and salvage refund by the insured and including interest paid towards claims) is recognised when approved for payment.

Estimated liability for outstanding claims on the balance sheet date is recorded net of claims recoverable from/payable to coinsurers/reinsurers for all claims reported till the end of the period.

Estimated liability on outstanding claims is determined by the management assessment of ultimate amounts likely to be paid on each claim based on the past experience and these estimates are progressively revalidated on availability of further information.
  - d) Claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER):
 

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 duly issued by the Institute of Actuaries of India in concurrence with the IRDAI.
  - e) Indian Motor Third Party Declined Risk Insurance Pool [DR Pool]:
 

In accordance with the directions of IRDAI, 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.
  - f) Terrorism pool:
 

The Company, together with other insurance companies, participates in the Terrorism Pool. The pool is managed by the General Insurance Corporation of India ('GIC'). Amounts collected as terrorism premium in accordance with the requirements of the Tariff Advisory Committee (TAC) are ceded at 100% of the terrorism premium collected to the Terrorism Pool.

In accordance with the terms of the agreement, GIC retrocedes, to the Company, terrorism premium to the extent of the Company's share in the risk, which is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on quarterly statements received from GIC. The reinsurance accepted on account of terrorism pool has been recorded in accordance with the last statement received from GIC.
- 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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 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 recognized as an expense at the undiscounted amount in the Consolidated Statement of Profit and Loss of the period in which the related services are rendered.
- b) Post Employment Benefits:  
In India:
- i) Provident Fund - Defined Contribution Plan  
The Group contributes monthly at a determined rate. These contributions are remitted to the Employees' Provident Fund Organisation, India for this purpose and is charged to Consolidated Statement of Profit and Loss on accrual basis.
  - ii) Gratuity - Defined Benefit Plan  
The Group provides for gratuity to all the eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or termination of employment for an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs on completion of five years of service. Liability in respect of gratuity is determined using the projected unit credit method with actuarial valuations as on the Balance Sheet date and gains/losses are recognized immediately in the Consolidated Statement of Profit and Loss.
  - iii) Leave Encashment  
Liability in respect of leave encashment is determined using the projected unit credit method with actuarial valuations as on the Balance Sheet date and gains/losses are recognized immediately in the Consolidated Statement of Profit and Loss.
  - iv) Long Term performance pay  
In respect of subsidiary engaged in Insurance business, the subsidiary has a scheme for long term incentive plan for selected personnel. The liability is calculated as at the balance sheet date in accordance with AS-15 (Revised) based on the valuation done by independent actuary.
- Outside India:

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

### 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, Custom duty, Income tax, Sales tax and Others are disclosed as contingent liabilities. Payment in respect of such demands, if any, is shown as an advance, till the final outcome of the matter.

Contingent assets are not recognised in the financial statements.

### 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 March, 2017, are as under:

Name of the Subsidiary	Country of Incorporation	Percentage of Ownership Interest as at	
		31st Mar., 2017	31st Dec., 2015
Chhattisgarh Power Ventures Private Limited	India	100%	100%
Liberty Videocon General Insurance Company Limited	India	56.53%	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 <sup>(1)</sup>	Cayman Islands	100%	100%
Videocon JPDA 06-103 Limited <sup>(2)</sup>	Cayman Islands	100%	100%
Videocon Indonesia Nunukan Inc. <sup>(2)</sup>	Cayman Islands	100%	100%
Videocon Energy Brazil Limited <sup>(2)</sup>	British Virgin Islands	100%	100%
Videocon Australia WA-388-P Limited <sup>(2)</sup>	Cayman Islands	100%	100%
Videocon Mauritius Energy Limited <sup>(2)</sup>	Mauritius	100%	100%
Videocon International Cooperatie U.A. <sup>(2)</sup>	The Netherlands	100%	100%
Videocon Hydrocarbon Ventures B.V. <sup>(3)</sup>	The Netherlands	100%	100%
Videocon Brazil Ventures B.V. <sup>(3)</sup>	The Netherlands	100%	100%
Videocon Brasil Petroleo Ltda <sup>(4)</sup>	Brazil	100%	100%
Electroworld Digital Solutions Limited (formerly Videocon International Electronics Limited)	India	100%	100%
Jumbo Techno Services Private Limited <sup>(5)</sup>	India	100%	100%
Senior Consulting Private Limited <sup>(5)</sup>	India	100%	100%
Videocon Telecommunications Limited <sup>(5)</sup>	India	93.75%	93.75%
Videocon Easypay Private Limited <sup>(6)</sup> (formerly Datacom Telecommunications Private Limited)	India	93.75%	93.75%
Videocon Energy Limited	India	100%	100%
Proficient Energy Private Limited <sup>(7)</sup>	India	100%	100%
Applied Energy Private Limited <sup>(8)</sup>	India	100%	100%
Comet Power Private Limited (upto 31st December, 2016) <sup>(9)</sup>	India	0%	51%
Indigo Energy Private Limited (upto 31st December, 2016) <sup>(10)</sup>	India	0%	51%
Percept Energy Private Limited (upto 31st December, 2016) <sup>(10)</sup>	India	0%	51%

Name of the Joint Venture	Country of Incorporation	Percentage of Ownership Interest as at	
		31st Mar., 2017	31st Dec., 2015
IBV Brasil Petroleo Limitada <sup>(11)</sup>	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 Mar., 2017	31st Dec., 2015
Radium Appliances Private Limited	India	26%	26%
Unity Power Private Limited <sup>(12)</sup>	India	26%	26%

### Notes:

- <sup>1</sup> Subsidiary of Videocon Oil Ventures Limited
- <sup>2</sup> Subsidiary of Videocon Hydrocarbon Holdings Limited
- <sup>3</sup> Subsidiary of Videocon International Cooperatie U.A.
- <sup>4</sup> Subsidiary of Videocon Brazil Ventures B.V.
- <sup>5</sup> Subsidiary of Electroworld Digital Solutions Limited
- <sup>6</sup> Subsidiary of Videocon Telecommunications Limited
- <sup>7</sup> Subsidiary of Videocon Energy Limited
- <sup>8</sup> Subsidiary of Proficient Energy Private Limited
- <sup>9</sup> Subsidiary of Applied Energy Private Limited
- <sup>10</sup> Subsidiary of Comet Power Private Limited
- <sup>11</sup> Joint Venture of Videocon Energy Brazil Limited
- <sup>12</sup> Associate of Applied Energy Private Limited
- <sup>13</sup> Videocon Telecom Towers Private Limited became the subsidiary of Videocon Telecommunications Limited w.e.f. 31st March, 2016 and ceased to be subsidiary from 22nd March, 2017. As the control was only temporary, the financial statements of the said subsidiary have not been considered for consolidation.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

		(₹ in Million)	
		As at 31st Mar., 2017	As at 31st Dec., 2015
<b>3. SHARE CAPITAL</b>			
<b>Authorised:</b>			
500,000,000 (As at 31st December, 2015 - 500,000,000) Equity Shares of ₹ 10/- each		5,000.00	5,000.00
10,000,000 (As at 31st December, 2015 - 10,000,000) Redeemable Preference Shares of ₹ 100/- each		1,000.00	1,000.00
	<b>Total</b>	<b>6,000.00</b>	<b>6,000.00</b>
<b>Issued, Subscribed and Paid-up:</b>			
<b>Equity Shares</b>			
334,458,875 (As at 31st December, 2015 - 334,458,875) Equity Shares of ₹ 10/- each fully paid-up		3,344.59	3,344.59
	<b>Total</b>	<b>3,344.59</b>	<b>3,344.59</b>

### 3.1 Reconciliation of the Number of Shares:

	As at 31st March, 2017		As at 31st December, 2015	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
<b>Equity Shares of ₹ 10/- each</b>				
Outstanding at the beginning of the period/year	334,458,875	3,344.59	334,458,875	3,344.59
Issued during the period/year	-	-	-	-
Outstanding at the end of the period/year	334,458,875	3,344.59	334,458,875	3,344.59

### 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 March, 2017		As at 31st December, 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
a) Dome-Bell Electronics India Private Limited	16,408,315	4.91	19,741,704	5.90
b) Shree Dhoot Trading and Agencies Limited	26,179,336	7.83	26,604,836	7.95
c) Videocon Realty and Infrastructures Limited	63,945,518	19.12	64,670,518	19.34
d) Deutsche Bank Trust Company Americas (As depository of Global Deposits Receipts)	38,835,179	11.61	39,705,381	11.87

## 4. RESERVES AND SURPLUS

		(₹ in Million)	
		As at 31st Mar., 2017	As at 31st Dec., 2015
<b>a) Capital Reserve (including Capital Subsidy)</b>			
As per last Balance Sheet		11.18	11.18
	<b>(a)</b>	<b>11.18</b>	<b>11.18</b>
<b>b) Capital Redemption Reserve</b>			
As per last Balance Sheet		997.59	997.59
	<b>(b)</b>	<b>997.59</b>	<b>997.59</b>
<b>c) Securities Premium Account</b>			
As per last Balance Sheet		48,893.80	48,893.80
Less: Decrease on account of disposal of subsidiaries		16.81	-
	<b>(c)</b>	<b>48,876.99</b>	<b>48,893.80</b>
<b>d) Bond/Debenture Redemption Reserve</b>			
As per last Balance Sheet		1,618.38	5,016.75
Less: Transferred to Surplus/(Deficit) in the Statement of Profit and Loss		399.41	3,398.37
	<b>(d)</b>	<b>1,218.97</b>	<b>1,618.38</b>
<b>e) Legal Reserve</b>			
As per last Balance Sheet		0.32	0.32
	<b>(e)</b>	<b>0.32</b>	<b>0.32</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(₹ in Million)

	As at 31st Mar., 2017	As at 31st Dec., 2015
<b>f) Foreign Currency Translation Reserve</b>		
As per last Balance Sheet	4,801.98	4,091.84
Add: During the period/year	5,158.27	710.14
<b>(f)</b>	<b>9,960.25</b>	<b>4,801.98</b>
<b>g) General Reserve</b>		
As per last Balance Sheet	16,801.48	16,801.48
<b>(g)</b>	<b>16,801.48</b>	<b>16,801.48</b>
<b>h) Surplus/(Deficit) in the Statement of Profit and Loss</b>		
As per last Balance Sheet	4,430.95	22,894.88
Add: Profit/(Loss) for the period/year	(27,090.00)	(21,862.30)
Add: Transfer from Bond/Debt Redemption Reserve	399.41	3,398.37
<b>(h)</b>	<b>(22,259.64)</b>	<b>4,430.95</b>
<b>Total (a to h)</b>	<b>55,607.14</b>	<b>77,555.68</b>

5. The Parent Company has received Grant of ₹ Nil (Previous year ₹ 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 ₹ 5.10 Million (Previous year ₹ 2.98 Million) has been allocated to income and credited to other non-operating income, in proportion to the depreciation charged on those assets for the period. The balance deferred income has been carried to Balance Sheet as Grant for Ozone Project.

(₹ in Million)

6. LONG-TERM BORROWINGS	As at 31st March, 2017		As at 31st December, 2015	
	Non-Current	Current	Non-Current	Current
<b>a) Secured</b>				
Term Loans from Banks	341,378.85	63,416.42	299,648.22	99,701.93
Term Loans from Financial Institutions	9,867.30	1,995.45	11,587.36	1,068.72
Vehicle Loan from Banks	8.87	4.97	6.62	47.55
Loan from Others	0.05	-	0.05	-
Foreign Currency Convertible Bonds	4,875.86	-	6,473.52	-
Deferred Payment Liabilities	-	-	7,146.20	-
<b>(a)</b>	<b>356,130.93</b>	<b>65,416.84</b>	<b>324,861.97</b>	<b>100,818.20</b>
<b>b) Unsecured</b>				
Term Loans from Banks	-	-	-	75.00
Loan from Others	26.00	-	26.00	1.50
<b>(b)</b>	<b>26.00</b>	<b>-</b>	<b>26.00</b>	<b>76.50</b>
<b>Total (a+b)</b>	<b>356,156.93</b>	<b>65,416.84</b>	<b>324,887.97</b>	<b>100,894.70</b>

### 6.1 Secured Loans:

- a) Term Loans from Banks and Financial Institutions:

- i) The Company, the subsidiary Electroworld Digital Solutions Limited (formerly 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 (RTL 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 Electroworld Digital Solutions Limited.

Further, Videocon Telecommunications Limited (VTL), the subsidiary, had availed financial assistance from consortium of Banks/ Financial Institutions (VTL Lenders). It has been agreed between the RTL Lenders and VTL Lenders to share the security available to the RTL Lenders under the RTL Agreement (including the receivables from each of the Obligors) with the VTL Lenders under the VTL facility agreement (including the receivables from VTL) on a reciprocal first *pari-passu* charge basis. Thus, VTL is also inducted as co-obligor in the said facility agreement with the consortium of RTL Lenders.

Loans amounting to ₹ 166,313.66 Million (As at 31st December, 2015 ₹ 167,636.26 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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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. The loans are further secured by security mentioned in note no. (viii) below. (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 ₹ 208,654.68 Million (As at 31st December, 2015 ₹ 190,728.68 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 ₹ Nil (As at 31st December, 2015 ₹ 461.31 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 ₹ 15,506.25 Million (As at 31st December, 2015 ₹ 17,387.50 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 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 ₹ Nil (As at 31st December, 2015 ₹ 1,850.00 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 ₹ Nil (As at 31st December, 2015 ₹ 1,500.00 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, 2015 ₹ 1,500.00 Million) 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 ₹ 24,683.43 Million (As at 31st December, 2015 ₹ 30,473.60 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 by 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. The loans are further secured by security mentioned in note no. (i) above.
- ix) Loans amounting to ₹ Nil (As at 31st December, 2015 ₹ 468.88 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 were 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) The Bonds were redeemable at the option of the holders on 30th June, 2016 (Put Option Date). The Company made a partial pre-payment of US\$ 22,000,000 on pro-rata basis to all the bondholders on 3rd August, 2016 in pursuance to the approval of bondholders and approval from Reserve Bank of India. Further, the coupon rate was revised to 2.80 per cent payable semi-annually and the put option date was amended to 30th December, 2016.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

d) Loan from Others is secured by certain investments held by the Subsidiary Company viz. Applied Energy Private Limited.

(₹ in Million)

### 6.2 Maturity Profile:

Maturity between 1st April to 31st March of:

Financial Year 2018-19
Financial Year 2019-20
Financial Year 2020-21
Financial Year 2021-22
Financial Year 2022-23
Financial Year 2023-24
Financial Year 2024-25
Financial Year 2025-26
Financial Year 2026-27
Financial Year 2027-28
Financial Year 2028-29
Financial Year 2029-30
Financial Year 2030-31
Financial Year 2031-32
Financial Year 2032-33
Financial Year 2033-34
Financial Year 2034-35
Financial Year 2035-36

	Secured Loans		
	Term Loans from Banks	Term Loans from Financial Institutions	Vehicle Loan from Banks
	46,967.58	2,065.00	3.50
	82,566.89	2,999.80	2.54
	88,709.86	2,125.00	2.55
	66,233.52	2,125.00	0.28
	40,511.31	552.50	-
	4,230.07	-	-
	2,846.41	-	-
	3,007.09	-	-
	3,167.77	-	-
	363.59	-	-
	363.59	-	-
	363.59	-	-
	363.59	-	-
	363.59	-	-
	363.59	-	-
	363.59	-	-
	363.59	-	-
	363.59	-	-
	363.59	-	-
	229.63	-	-

(₹ in Million)

### 7. DEFERRED TAX LIABILITY - (Net)

#### a) Deferred Tax Liability

Related to Depreciation and Amortisation on Fixed Assets

	As at 31st Mar., 2017	As at 31st Dec., 2015
	7,880.26	8,368.06
(a)	7,880.26	8,368.06

#### b) Deferred Tax Assets

- Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961
- Unabsorbed Depreciation
- Others

	2,967.02	99.44
	1,224.86	1,209.02
	19.93	16.00
(b)	4,211.81	1,324.46
(a-b)	3,668.45	7,043.60

#### Net Deferred Tax Liability

### 8. LONG-TERM PROVISIONS

Provision for Gratuity (Refer Note No. 33B)
Provision for Leave Encashment (Refer Note No. 33B)
Provision for Abandonment and Site Restoration Costs

	217.74	215.12
	69.73	71.75
	1,371.64	1,848.93
Total	1,659.11	2,135.80

### 9. SHORT-TERM BORROWINGS

#### Secured

Loans from Banks
Overdraft against Fixed Deposits
Working Capital Loans from Banks
Loan from Others

	9,250.00	10,750.00
	-	20,160.00
	11,953.95	10,312.05
	13.39	-
(a)	21,217.34	41,222.05

#### Unsecured

Loans from Banks
------------------

	5,482.27	8,535.00
(b)	5,482.27	8,535.00
Total (a+b)	26,699.61	49,757.05

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****9.1 Secured Loans:**

- a) Short Term Loans from Banks
- i) Loans amounting to ₹ Nil (As at 31st December, 2015 ₹ 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, 2015 ₹ 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 ₹ Nil (As at 31st December, 2015 ₹ 20,160.00 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.
- d) Loans from Others amounting to ₹ 13.39 Million (As at 31st December, 2015 ₹ Nil) is secured against surrender value of Key Man Insurance Policy.

**9.2 Unsecured Loans:**

- a) Unsecured Loans from Banks amounting to ₹ 1,900.00 Million (As at 31st December, 2015 ₹ 1,900.00 Million) is secured by lien marked on fixed deposits of other entities.
- b) Unsecured Loans from Banks amounting to ₹ 3,582.27 Million (As at 31st December, 2015 ₹ 6,635.00 Million) is secured by negative lien on property owned by other entity.

		(₹ in Million)	
		As at 31st Mar., 2017	As at 31st Dec., 2015
<b>10. TRADE PAYABLES</b>			
	Micro, Small and Medium Enterprises	520.80	97.62
	Others	24,932.81	17,924.60
	<b>Total</b>	<b>25,453.61</b>	<b>18,022.22</b>
<b>11. OTHER CURRENT LIABILITIES</b>			
	Current maturities of Long Term Borrowings (Refer Note No. 6)	65,416.84	100,894.70
	Bank Overdraft as per books	60.96	300.86
	Interest accrued but not due on Borrowings	3,606.46	4,853.22
	Interest accrued and due on Borrowings	6,241.36	954.07
	Advances from Customers and Unearned Income	92.08	705.91
	Unclaimed Dividend	8.23	9.43
	Creditors for Capital Expenditure	290.78	469.00
	Other Payables	8,694.16	7,549.61
	<b>Total</b>	<b>84,410.87</b>	<b>115,736.80</b>
<b>12. SHORT-TERM PROVISIONS</b>			
	Provision for Warranty and Maintenance Expenses (Refer Note No. 51)	639.23	638.25
	Provision for Incentive Payment	88.38	193.48
	Reserve for Unexpired Risk	2,559.09	1,568.51
	Provision for Gratuity (Refer Note No. 33B)	33.55	38.50
	Provision for Leave Encashment (Refer Note No. 33B)	9.70	14.09
	<b>Total</b>	<b>3,329.95</b>	<b>2,452.83</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 13. FIXED ASSETS

(₹ in Million)

Particulars	Gross Block					Depreciation and Amortisation					Net Block			
	As at 31st Dec., 2015	Additions	Deductions/ Adjustments	Transfer to Asset held for Sale	Currency Translation Adjustments	As at 31st Mar., 2017	As at 31st Dec., 2015	For the period	Deductions/ Adjustments	Deductions related to Asset held for sale	Currency Translation Adjustments	As at 31st Mar., 2017	As at 31st Mar., 2017	As at 31st Dec., 2015
<b>i) Tangible Assets</b>														
Freehold Land	889.07	0.31	-	-	-	889.38	-	-	-	-	-	889.38	889.38	889.07
Leasehold Land	48.05	-	-	-	-	48.05	14.09	0.96	-	-	15.05	33.00	33.96	33.96
Building	6,821.39	4.29	1.09	-	(4.67)	6,819.92	2,927.05	158.29	0.45	(1.98)	3,082.91	3,737.01	3,894.34	3,894.34
Leasehold Improvements	848.39	22.37	26.93	-	-	843.83	469.12	96.84	18.63	(0.01)	547.32	296.51	379.27	379.27
Plant and Machinery	134,106.32	2,437.47	2,782.67	18,152.54	(2.80)	115,605.78	73,477.30	7,681.37	1,426.37	9,892.85	69,836.65	45,769.13	60,629.02	60,629.02
Furnace	1,531.26	-	153.87	-	-	1,377.39	1,516.62	-	152.33	-	1,364.29	13.10	14.64	14.64
Electrical Installation	177.06	1.97	0.01	-	-	179.02	149.77	9.70	0.01	-	159.46	19.56	27.29	27.29
Computers	572.75	35.00	5.91	-	0.50	602.34	475.93	54.40	5.65	0.31	524.99	77.35	96.82	96.82
Furniture and Fixtures	327.60	4.97	5.72	-	(0.12)	326.73	252.14	23.27	3.55	(0.15)	271.71	55.02	75.46	75.46
Office Equipments	446.76	16.33	3.58	-	-	459.51	374.69	40.14	3.32	-	411.51	48.00	72.07	72.07
Vehicles	1,310.67	26.21	19.58	-	0.58	1,317.88	905.72	121.78	18.34	0.60	1,009.76	308.12	404.95	404.95
Others	1.45	-	0.13	-	0.22	1.54	1.08	0.10	0.07	-	1.27	0.27	0.37	0.37
<b>Total (i)</b>	<b>147,080.77</b>	<b>2,548.92</b>	<b>2,999.49</b>	<b>18,152.54</b>	<b>(6.29)</b>	<b>128,471.37</b>	<b>80,563.51</b>	<b>8,186.85</b>	<b>1,628.72</b>	<b>9,892.85</b>	<b>77,224.92</b>	<b>51,246.45</b>	<b>66,517.26</b>	<b>66,517.26</b>
<b>ii) Intangible Assets</b>														
Computer Software	1,575.05	148.12	0.12	-	0.08	1,723.13	1,413.04	138.41	0.11	-	1,551.39	171.74	162.01	162.01
License/Spectrum Fees	22,333.77	-	22,274.40	-	-	59.37	3,213.12	474.24	3,666.04	-	21.32	38.05	19,120.65	19,120.65
Producing Properties	6,210.83	55.44	31.57	-	-	6,234.70	5,921.41	110.91	-	-	6,032.32	202.38	289.42	289.42
<b>Total (ii)</b>	<b>30,119.65</b>	<b>203.56</b>	<b>22,306.09</b>	<b>-</b>	<b>0.08</b>	<b>8,017.20</b>	<b>10,547.57</b>	<b>723.56</b>	<b>3,666.15</b>	<b>-</b>	<b>7,605.03</b>	<b>412.17</b>	<b>19,572.08</b>	<b>19,572.08</b>
<b>Total (i+ii)</b>	<b>177,200.42</b>	<b>2,752.48</b>	<b>25,305.58</b>	<b>18,152.54</b>	<b>(6.21)</b>	<b>136,488.57</b>	<b>91,111.08</b>	<b>8,910.41</b>	<b>5,294.87</b>	<b>9,892.85</b>	<b>84,829.95</b>	<b>51,658.62</b>	<b>86,089.34</b>	<b>86,089.34</b>
<b>iii) Capital Work-in-Progress</b>	<b>117,797.05</b>					<b>158,803.59</b>						<b>158,803.59</b>	<b>117,797.05</b>	<b>117,797.05</b>

**Notes:**

- i) Plant and Machinery (Gross Block) includes assets capitalised under finance lease of ₹ 806.14 Million (As at 31st December, 2015 ₹ 806.14 Million) and corresponding accumulated depreciation of ₹ 806.14 Million (As at 31st December, 2015 ₹ 802.20 Million).
- ii) Computer Software (Gross Block) includes assets capitalised under finance lease of ₹ 10.00 Million (As at 31st December, 2015 ₹ 10.00 Million) and corresponding accumulated depreciation of ₹ 8.33 Million (As at 31st December, 2015 ₹ 5.80 Million).
- iii) Out of the Depreciation for the period, an amount of ₹ 0.65 Million (Previous year ₹ 1.83 Million) is transferred to "Pre-Operative Expenditure Pending Allocation"/"Capital Work-in-Progress".

**Previous Year**

(₹ in Million)

Particulars	Gross Block					Depreciation and Amortisation					Net Block			
	As at 31st Dec., 2014	Additions	Deductions/ Adjustments	Transfer to Asset held for Sale	Currency Translation Adjustments	As at 31st Dec., 2015	As at 31st Dec., 2014	For the year	Deductions/ Adjustments	Transfer to Asset held for Sale	Currency Translation Adjustments	As at 31st Dec., 2015	As at 31st Dec., 2015	As at 31st Dec., 2014
<b>i) Tangible Assets</b>														
Freehold Land	888.19	0.88	-	-	-	889.07	-	-	-	-	-	889.07	889.07	888.19
Leasehold Land	48.05	-	-	-	-	48.05	13.32	0.77	-	-	14.09	33.96	34.73	34.73
Building	6,812.93	0.97	-	-	7.49	6,821.39	2,789.61	134.77	-	2.67	2,927.05	3,894.34	4,023.32	4,023.32
Leasehold Improvements	840.07	10.69	2.37	-	-	848.39	401.85	68.47	1.20	-	469.12	379.27	438.22	438.22
Plant and Machinery	130,839.32	3,606.75	344.23	-	4.48	134,106.32	65,258.33	8,327.81	113.33	4.49	73,477.30	60,629.02	65,580.99	65,580.99
Furnace	1,576.39	-	45.13	-	-	1,531.26	1,560.62	-	44.00	-	1,516.62	14.64	15.77	15.77
Electrical Installation	175.84	1.22	-	-	-	177.06	124.07	25.70	-	-	149.77	27.29	51.77	51.77
Computers	533.12	41.23	0.68	-	(0.92)	572.75	443.95	32.62	0.18	(0.46)	475.93	96.82	89.17	89.17
Furniture and Fixtures	318.31	9.18	-	-	0.11	327.60	224.60	27.38	0.01	0.17	252.14	75.46	93.71	93.71
Office Equipments	430.57	16.39	0.20	-	-	446.76	284.59	90.15	0.05	-	374.69	72.07	145.98	145.98
Vehicles	1,332.32	17.18	37.74	-	(1.09)	1,310.67	793.33	145.75	32.22	(1.14)	905.72	404.95	538.99	538.99
Others	1.88	0.07	0.04	-	(0.46)	1.45	1.30	0.10	-	(0.32)	1.08	0.37	0.58	0.58
<b>Total (i)</b>	<b>143,796.99</b>	<b>3,704.56</b>	<b>430.39</b>	<b>-</b>	<b>9.61</b>	<b>147,080.77</b>	<b>71,895.57</b>	<b>8,853.52</b>	<b>190.99</b>	<b>5.41</b>	<b>80,563.51</b>	<b>66,517.26</b>	<b>71,901.42</b>	<b>71,901.42</b>
<b>ii) Intangible Assets</b>														
Computer Software	1,465.55	109.66	-	-	(0.16)	1,575.05	1,241.50	171.65	-	(0.11)	1,413.04	162.01	224.05	224.05
License/Spectrum Fees	22,333.77	-	-	-	-	22,333.77	2,098.92	1,114.20	-	-	3,213.12	19,120.65	20,234.85	20,234.85
Producing Properties	6,180.57	30.26	-	-	-	6,210.83	5,647.08	274.33	-	-	5,921.41	289.42	533.49	533.49
<b>Total (ii)</b>	<b>29,979.89</b>	<b>139.92</b>	<b>-</b>	<b>-</b>	<b>(0.16)</b>	<b>30,119.65</b>	<b>8,987.50</b>	<b>1,560.18</b>	<b>-</b>	<b>(0.11)</b>	<b>10,547.57</b>	<b>19,572.08</b>	<b>20,992.39</b>	<b>20,992.39</b>
<b>Total (i+ii)</b>	<b>173,776.88</b>	<b>3,844.48</b>	<b>430.39</b>	<b>-</b>	<b>9.45</b>	<b>177,200.42</b>	<b>80,883.07</b>	<b>10,413.70</b>	<b>190.99</b>	<b>-</b>	<b>91,111.08</b>	<b>86,089.34</b>	<b>92,893.81</b>	<b>92,893.81</b>
<b>iii) Capital Work-in-Progress</b>	<b>-</b>					<b>117,797.05</b>						<b>117,797.05</b>	<b>117,797.05</b>	<b>117,797.05</b>

**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)

### 14. PRE-OPERATIVE EXPENDITURE PENDING ALLOCATION

	As at 31st Mar., 2017	As at 31st Dec., 2015
Balance as per last Balance Sheet	1,686.29	1,658.67
Add: Increase/(Decrease) during the period/year	(0.14)	27.62
<b>Total</b>	<b>1,686.15</b>	<b>1,686.29</b>

### 15. NON-CURRENT INVESTMENTS

#### A. In Equity Shares (Fully Paid-up) - Trade

##### Quoted

	Face Value	As at 31st March, 2017		As at 31st December, 2015	
		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	27.82
			<b>53.39</b>		<b>53.39</b>

##### Unquoted

Akai Consumer Electronics India Limited	₹ 10	35,000	0.35	35,000	0.35
Applicomp (India) Limited	₹ 10	17,023,500	170.24	17,023,500	170.24
CE India Limited	₹ 10	911	0.04	911	0.04
Cristal (Cayman) Limited	US\$ 1	579,500	28.35	579,500	28.35
Digital Display Devices S.p.A.	€ 1	36,000	1.96	36,000	1.96
Eagle Corporation Limited	US\$ 1	1,000	0.05	1,000	0.05
Eagle ECorp Limited	US\$ 1	10,000	0.44	10,000	0.44
Emerald Corporate Ventures Limited	US\$ 1	1,000	0.05	1,000	0.05
Gran Electronics Limited	₹ 10	248,450	438.06	248,450	449.96
Hyundai Electronics India Limited	₹ 10	9,500	0.10	9,500	0.10
Indian Refrigerator Company Limited	₹ 10	1,990,000	19.90	1,990,000	19.90
Jupiter Corporation Inc.	US\$ 1	190	0.01	190	0.01
KAIL Limited	₹ 10	9,395,000	4,116.00	9,395,000	4,227.81
Millennium Appliances India Limited	₹ 10	16,266,000	3,303.43	16,266,000	3,393.17
PE Electronics Limited	₹ 10	2,495,000	426.58	2,495,000	438.17
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	₹ 10	2,600	0.01	2,600	0.01
Sapphire Overseas Inc.	US\$ 1	1,900	0.08	1,900	0.08
Sky Appliances Limited	₹ 10	11,517,000	2,349.00	11,517,000	2,412.81
Techno Electronics Limited	₹ 10	26,475,000	4,809.67	26,475,000	4,940.33
Techno Kart India Limited	₹ 10	21,036,000	650.36	21,036,000	650.36
TekCare India Private Limited	₹ 10	1,900	0.02	1,900	0.02
Unity Appliances Limited	₹ 10	6,240,000	1,166.90	6,240,000	1,198.60
Unity Power Private Limited	₹ 10	2,600	51.84	2,600	26.37
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
Videocon Telecom Towers Private Limited	₹ 10	4,010,000	40.10	-	-
			<b>17,575.04</b>		<b>17,961.51</b>

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

##### Quoted

AI Champdany Industries Limited	₹ 5	18,000	0.47	18,000	0.47
Asian Electronics Limited	₹ 5	40,000	0.13	40,000	0.13
Assam Company (India) Limited	₹ 1	10,000	0.08	10,000	0.06



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Face Value	As at 31st March, 2017		As at 31st December, 2015	
		Nos.	₹ in Million	Nos.	₹ in Million
Bajaj Auto Limited	₹ 10	-	-	848	0.88
Dhoot Industrial Finance Limited	₹ 10	4,800	0.14	4,800	0.14
Expo Gas Containers Limited	₹ 4	7,600	0.05	7,600	0.05
GTL Infrastructure Limited	₹ 10	500,000	2.89	500,000	1.40
India Steel Works Limited	₹ 1	1,300	-	1,300	-
(₹ 3,965 (As at 31st December, 2015 ₹ 3,965))					
IOL Netcom Limited	₹ 10	1,567,374	9.87	1,567,374	9.87
Lumax Industries Limited	₹ 10	7,000	2.16	7,000	2.16
Man Industries Limited	₹ 5	300,000	28.97	300,000	28.97
Mold-Tek Packaging Limited	₹ 5	3,600	0.15	1,800	0.15
(As at 31st December, 2015 Face Value ₹ 10)					
Prime Securities Limited	₹ 5	-	-	1,762,565	9.96
Shree Ram Urban Infrastructure Limited	₹ 10	65,709	6.58	65,709	6.58
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
			52.17		61.50
<b>Unquoted</b>					
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
Evans Fraser & Co. (India) Limited	₹ 100	91,250	49.13	91,250	49.13
Geekay Exim (India) Limited	₹ 10	80,000	0.08	80,000	0.08
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	-
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
Paramount Global Limited	US\$ 1	256,000	11.24	256,000	11.24
Raa Media Private Limited	₹ 10	9,700	0.10	9,700	0.10
Sangam Infratech Limited	₹ 10	1,645,000	164.69	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
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
			542.95		465.77
<b>C. In Preference Shares (Fully Paid-up)</b>					
Agharna Real Estate Private Limited	₹ 100	75,000	7.50	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	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		1,062.68

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****D. In Bonds / Debentures (Fully Paid-up)**

	Face Value	As at 31st March, 2017		As at 31st December, 2015	
		Nos.	₹ in Million	Nos.	₹ in Million
Zero Coupon Compulsory Convertible Bonds of Digivision Infosys Limited	₹ 1,000	540,000	540.00	540,000	540.00
Zero Coupon Compulsory Convertible Bonds of Infotel Business Solution Limited	₹ 1,000	2,218,300	2,218.30	2,218,300	2,218.30
Zero Coupon Compulsory Convertible Debentures of Quadrant Televentures Ltd.	₹ 1,000	12,000,000	12,000.00	-	-
Zero Coupon Compulsory Convertible Debentures of Unity Power Private Limited	₹ 10	6,133,400	61.33	6,133,400	61.33
7.65% Bajaj Finance Limited	₹ 1,000,000	100	99.37	-	-
8.40% Bajaj Finance Limited	₹ 1,000,000	250	250.00	-	-
9.50% Export Import Bank of India	₹ 1,000,000	50	50.78	50	51.42
9.70% Export Import Bank of India	₹ 1,000,000	50	50.27	50	50.47
9.07% Export Import Bank of India	₹ 1,000,000	-	-	50	49.55
8.38% HDFC Limited	₹ 10,000,000	10	100.54	-	-
8.95% HDFC Limited	₹ 1,000,000	50	50.61	50	50.83
9.65% HDFC Limited	₹ 1,000,000	150	152.95	50	51.09
10.25% HDFC Limited	₹ 1,000,000	-	-	50	51.07
9.20% HDFC Limited	₹ 1,000,000	-	-	50	49.71
9.25% HDFC Limited	₹ 1,000,000	-	-	50	48.86
9.50% HDFC Limited	₹ 1,000,000	-	-	50	50.55
9.50% IDFC Limited	₹ 1,000,000	50	50.18	50	50.28
8.45% Indian Railway Finance Corporation Limited	₹ 1,000,000	50	49.81	50	49.67
8.18% LIC Housing Finance Limited	₹ 1,000,000	50	50.35	-	-
8.35% LIC Housing Finance Limited	₹ 1,000,000	100	101.08	-	-
8.60% LIC Housing Finance Limited	₹ 1,000,000	50	49.94	50	49.88
8.60% LIC Housing Finance Limited	₹ 1,000,000	50	50.74	-	-
8.67% LIC Housing Finance Limited	₹ 1,000,000	50	50.14	50	50.19
8.88% LIC Housing Finance Limited	₹ 1,000,000	50	50.56	-	-
9.11% LIC Housing Finance Limited	₹ 1,000,000	50	49.84	50	49.65
9.63% LIC Housing Finance Limited	₹ 1,000,000	50	50.61	50	51.03
9.80% LIC Housing Finance Limited	₹ 1,000,000	-	-	50	50.80
8.18% National Bank for Agriculture and Rural Development	₹ 1,000,000	100	99.67	100	99.53
8.10% NTPC Limited	₹ 1,000,000	100	102.87	-	-
8.93% NTPC Limited	₹ 1,000,000	50	52.71	-	-
9.17% NTPC Limited	₹ 1,000,000	50	54.41	-	-
7.50% Power Finance Corporation Limited	₹ 1,000,000	150	151.05	-	-
8.36% Power Finance Corporation Limited	₹ 1,000,000	50	49.85	50	49.79
8.55% Power Finance Corporation Limited	₹ 1,000,000	100	103.35	-	-
9.18% Power Finance Corporation Limited	₹ 1,000,000	50	53.37	-	-
8.95% Power Finance Corporation Limited	₹ 1,000,000	-	-	50	49.26
9.11% Power Finance Corporation Limited	₹ 1,000,000	-	-	50	50.34
9.27% Power Finance Corporation Limited	₹ 1,000,000	-	-	100	101.14
9.33% Power Finance Corporation Limited	₹ 1,000,000	-	-	100	100.69
8.20% Power Grid Corporation of India Limited	₹ 1,000,000	100	102.13	-	-
8.40% Power Grid Corporation of India Limited	₹ 1,000,000	100	103.65	-	-
8.70% Power Grid Corporation of India Limited	₹ 1,000,000	50	49.27	50	48.58
8.80% Power Grid Corporation of India Limited	₹ 1,250,000	40	50.15	40	50.27
8.93% Power Grid Corporation of India Limited	₹ 1,000,000	50	50.41	50	50.73
9.30% Power Grid Corporation of India Limited	₹ 1,000,000	50	50.86	50	51.31
9.35% Power Grid Corporation of India Limited	₹ 1,000,000	50	50.09	50	50.13
8.65% Reliance Capital Limited	₹ 1,000,000	200	200.00	-	-

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Face Value	As at 31st March, 2017		As at 31st December, 2015	
		Nos.	₹ in Million	Nos.	₹ in Million
8.75% Reliance Capital Limited	₹ 1,000,000	100	100.02	-	-
9.00% Reliance Capital Limited	₹ 1,000,000	50	50.00	50	50.00
9.75% Reliance Capital Limited	₹ 1,000,000	50	50.01	50	50.01
9.75% Reliance Capital Limited	₹ 1,000,000	-	-	100	100.94
10.75% Reliance Industries Limited	₹ 1,000,000	50	51.44	50	52.53
8.95% Reliance Jio Infocomm Limited	₹ 1,000,000	150	151.65	150	152.25
8.95% Reliance Jio Infocomm Limited	₹ 1,000,000	200	205.47	-	-
8.37% Rural Electrification Corporation Limited	₹ 1,000,000	100	102.30	-	-
8.87% Rural Electrification Corporation Limited	₹ 1,000,000	50	50.34	50	50.49
9.02% Rural Electrification Corporation Limited	₹ 1,000,000	100	101.21	100	101.90
9.38% Rural Electrification Corporation Limited	₹ 1,000,000	50	49.87	50	49.77
9.38% Rural Electrification Corporation Limited	₹ 1,000,000	50	49.84	50	49.71
9.63% Rural Electrification Corporation Limited	₹ 1,000,000	50	50.16	50	50.26
9.10% Sundaram Finance Limited	₹ 1,000,000	50	50.73	-	-
10.32% Sundaram Finance Limited	₹ 1,000,000	50	51.61	-	-
8.07% Tata Sons Limited	₹ 1,000,000	150	150.00	-	-
8.99% Tata Sons Limited	₹ 1,000,000	100	102.30	-	-
8.99% Tata Sons Limited	₹ 1,000,000	50	50.49	50	50.68
9.90% Tata Sons Limited	₹ 1,000,000	50	50.84	50	51.38
9.68% Tata Sons Limited	₹ 1,000,000	-	-	50	50.47
9.87% Tata Sons Limited	₹ 1,000,000	-	-	50	50.82
9.87% Tata Sons Limited	₹ 1,000,000	-	-	50	50.66
			<b>18,919.49</b>		<b>5,288.32</b>
<b>E. Other Investments</b>					
<b>i) In Units (Fully Paid-up) - Mutual Funds</b>					
IDFC Cash Fund - Plan B - Growth	₹ 1,000		-	21,245	41.00
IDFC Cash Fund - Regular Plan	₹ 1,000		-	2,360	3.31
Birla Sunlife Cash Plus Growth Regular Plan	₹ 1,000		-	36,229	8.33
					<b>52.64</b>
<b>ii) In Government Securities</b>					
6 Years National Savings Certificate			0.02		0.02
Government Of India			2,392.20		1,393.76
			<b>2,392.22</b>		<b>1,393.78</b>
<b>iii) In Shares (Fully Paid-up) of Co-Operative Bank</b>					
Ahmednagar District Urban Central Co-Op. Bank Ltd. [₹ 500 (As at 31st December, 2015 ₹ 500)]	₹ 50	10	-	10	-
Bharati Sahakari Bank Limited	₹ 50	7,670	0.38	7,670	0.38
Bombay Mercantile Co-Operative Bank Limited	₹ 10	4,166	0.04	4,166	0.04
Janata Sahakari Bank Limited	₹ 10	857	0.09	857	0.09
The Latur Urban Co-Operative Bank Limited	₹ 1,000	121	0.12	-	-
The Saraswat Co-Operative Bank Limited	₹ 10	1,000	0.01	1,000	0.01
			<b>0.64</b>		<b>0.52</b>
<b>iv) In Shares (Fully Paid-up) of Co-Op. Society</b>					
[₹ 250 (As at 31st December, 2015 ₹ 250)]	₹ 50	5	-	5	-
<b>Sub-total (i+ii+iii+iv)</b>			<b>2,392.86</b>		<b>1,446.94</b>
<b>Total Non-Current Investments (A to E)</b>			<b>40,598.58</b>		<b>26,340.11</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	(₹ in Million)		(₹ in Million)	
	As at 31st Mar., 2017	As at 31st Dec., 2015	As at 31st Mar., 2017	As at 31st Dec., 2015
<b>16. LONG TERM LOANS AND ADVANCES</b>				
(Unsecured, considered good)				
Capital Advances	7,611.78	10,667.12		
Security/Other Deposits	965.70	897.43		
Advance Income Tax (Net of Provision)	870.16	768.80		
MAT Credit Entitlement	73.05	11.31		
Balance with Central Excise/Customs Department	-	1,984.78		
Loans and Advances to Others	24,489.72	27,803.45		
<b>Total</b>	<b>34,010.41</b>	<b>42,132.89</b>		
<b>17. CURRENT INVESTMENTS</b>				
<b>UNQUOTED - Others</b>				
In Units of Mutual Funds	397.37	89.14		
In Infrastructure and Social Sector	750.58	350.35		
In Government or Trust Securities	489.95	742.65		
In Certificate of Deposits	-	246.53		
<b>Total</b>	<b>1,637.90</b>	<b>1,428.67</b>		
<b>18. INVENTORIES</b>				
Raw Materials including Consumables, Stores and Spares	19,725.61	15,048.52		
Materials in Transit and in Bonded Warehouse	2,633.42	2,046.16		
Work-in-Process	1,470.15	1,425.49		
Finished Goods and Stock in Trade	4,346.87	4,626.96		
Drilling and Production Materials	409.40	415.40		
Crude Oil	75.25	51.92		
Sim Card	-	34.61		
<b>Total</b>	<b>28,660.70</b>	<b>23,649.06</b>		
<b>19. TRADE RECEIVABLES (Unsecured)</b>				
Outstanding for a period exceeding six months				
Considered Good	663.35	721.19		
Considered Doubtful	382.71	382.10		
	1,046.06	1,103.29		
Less: Provision for Doubtful Debts	382.71	382.10		
	663.35	721.19		
Others - Considered Good	23,776.28	29,756.60		
<b>Total</b>	<b>24,439.63</b>	<b>30,477.79</b>		
<b>20. CASH AND BANK BALANCES</b>				
<b>Cash and Cash Equivalents</b>				
Cash on hand	17.81	13.71		
Cheques/Drafts on hand/in transit	300.45	2.18		
Balances with Banks				
- In Current Accounts	1,997.42	13,370.47		
- In Fixed Deposits having maturity of 3 months or less	14.90	87.30		
<b>(a)</b>	<b>2,330.58</b>	<b>13,473.66</b>		
<b>Other Bank Balances</b>				
In Dividend Warrant Accounts	8.23	9.43		
In Earmarked Accounts	606.00	522.26		
In Fixed Deposits earmarked towards Site Restoration costs	1,295.41	1,125.88		
In Fixed Deposits Lien in favour of the Registrar, Supreme Court of India (Refer Note No. 37)	2,574.22	2,574.22		
In Other Fixed Deposits:				
a) Maturity 12 months or less:				
- Held as margin money for credit facilities and other commitments	3,879.34	3,027.06		
- Provided as security for overdraft facility of ₹ Nil (As at 31st Dec., 2015 ₹ 20,160.00 Million)	-	20,272.39		
- Others	58.80	15.60		
b) Maturity more than 12 months:				
- Held as margin money for credit facilities and other commitments	1,648.09	1,082.15		
<b>(b)</b>	<b>10,070.09</b>	<b>28,628.99</b>		
<b>Total (a+b)</b>	<b>12,400.67</b>	<b>42,102.65</b>		
<b>21. SHORT TERM LOANS AND ADVANCES</b>				
(Unsecured, considered good)				
Balance with Central Excise/Customs Department	382.72	866.27		
Deposits	9.61	8.22		
Loans and Advances to Related Parties (Refer Note No. 49)	0.58	0.57		
Loans and Advances to Others	187,010.47	216,487.79		
<b>Total</b>	<b>187,403.38</b>	<b>217,362.85</b>		
<b>22. OTHER CURRENT ASSETS</b>				
Interest Accrued	161.38	982.93		
Insurance Claim Receivable	0.97	0.46		
Tangible Assets held for Sale (Refer Note No. 45)	9,321.37	-		
Other Receivables	998.04	558.09		
<b>Total</b>	<b>10,481.76</b>	<b>1,541.48</b>		
			(₹ in Million)	
	15 Months ended 31st Mar., 2017	Year ended 31st Dec., 2015		
<b>23. REVENUE FROM OPERATIONS</b>				
Sale of Products/Services	143,284.44	142,296.73		
Income from Other Services	209.13	337.19		
Other Operating Revenue	398.44	310.34		
<b>Total</b>	<b>143,892.01</b>	<b>142,944.26</b>		
<b>23.1 Particulars of Sale of Products/ Services</b>				
Electrical and Electronic items	122,905.00	120,606.03		
Crude Oil and Natural Gas	6,204.97	7,893.77		
Telecommunication Services	8,846.65	10,737.35		
Electrical Energy (Power)	337.79	335.46		
Insurance Business - Premium Earned (Net)	4,990.03	2,724.12		
<b>Total</b>	<b>143,284.44</b>	<b>142,296.73</b>		

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	(₹ in Million)			(₹ in Million)	
	15 Months ended 31st Mar., 2017	Year ended 31st Dec., 2015		15 Months ended 31st Mar., 2017	Year ended 31st Dec., 2015
<b>24. OTHER INCOME</b>					
Interest Income	2,043.00	1,951.50			
Income from Investments and Securities Division/Profit on Sale of Investments	64.62	3,042.38			
Profit on Sale of Fixed Assets	-	31.41			
Insurance Claim Received	7.10	5.61			
Exchange Rate Fluctuation	215.39	-			
Other Non Operating Income	2,396.62	195.88			
<b>Total</b>	<b>4,726.73</b>	<b>5,226.78</b>			
<b>25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE</b>					
<b>Closing Inventories</b>					
Finished Goods and Stock-in-Trade	4,422.12	4,678.88			
Work-in-Process	1,470.15	1,425.49			
<b>(a)</b>	<b>5,892.27</b>	<b>6,104.37</b>			
<b>Opening Inventories</b>					
Finished Goods and Stock-in-Trade	4,678.88	5,029.43			
Work-in-Process	1,425.49	1,288.29			
<b>(b)</b>	<b>6,104.37</b>	<b>6,317.72</b>			
<b>(b-a)</b>	<b>212.10</b>	<b>213.35</b>			
<b>26. PRODUCTION AND EXPLORATION EXPENSES - OIL AND GAS</b>					
Production and Exploration Expenses	696.72	1,508.08			
Royalty	182.48	180.06			
Cess	219.12	269.65			
Production Bonus	38.04	38.33			
Government Share in Profit Petroleum	2,922.98	2,957.60			
Insurance Expenses	13.55	37.31			
<b>Total</b>	<b>4,072.89</b>	<b>4,991.03</b>			
<b>27. ACCESS CHARGES, LICENSE FEES AND NETWORK EXPENSES</b>					
Access and Roaming Charges	5,271.85	5,149.15			
License Fees and WPC Charges	5,935.41	563.26			
Rent	778.95	1,697.87			
Leased Line, Port and Bandwidth Charges	2,008.86	1,414.75			
Power and Fuel	255.90	797.19			
IT Expenses	22.47	17.11			
Other Value Added Services Charges	3.57	40.74			
Sim Cost	43.35	59.80			
Network Expenses- Others	66.42	98.29			
Site Expenses- Managed Services	28.29	55.21			
Freight and Carriage Expenses	6.50	10.50			
Repairs and Maintenance- Site Buildings	2.63	4.15			
<b>Total</b>	<b>14,424.20</b>	<b>9,908.02</b>			
<b>28. EMPLOYEE BENEFITS EXPENSE</b>					
Salary, Wages and Other Benefits	5,094.70	4,162.67			
Contribution to Provident Fund and Other Funds	253.79	198.97			
Staff Welfare Expenses	209.32	159.31			
<b>Total</b>	<b>5,557.81</b>	<b>4,520.95</b>			
<b>29. FINANCE COSTS</b>					
Interest Expenses	47,627.49	30,833.01			
Other Borrowing Costs	738.45	777.09			
Applicable Net Loss/(Gain) on Foreign Currency Transactions	-	300.80			
<b>Total</b>	<b>48,365.94</b>	<b>31,910.90</b>			
<b>30. OTHER EXPENSES</b>					
Power, Fuel and Water	480.69	735.87			
Freight and Forwarding	1,602.11	1,252.06			
Vehicle Running Expenses	453.81	357.19			
Rent, Rates and Taxes	669.42	544.75			
Repairs to Building	82.34	23.58			
Repairs to Plant and Machinery	76.40	61.45			
Other Repairs and Maintenance	151.50	175.18			
Insurance	72.94	51.87			
Advertisement and Publicity	2,286.01	1,851.82			
Sales Promotion Expenses	1,529.57	851.83			
Discount and Incentive Schemes	7,217.58	5,713.68			
Bank Charges	539.83	169.91			
Payment to Auditors'	40.19	28.14			
Donation	-	55.59			
[Includes amount paid to Nationalist Congress Party ₹ Nil (Previous year ₹ 2.50 Million) and Shivsena ₹ Nil (Previous year ₹ 36.80 Million)]					
Directors' Sitting Fees	5.26	3.10			
Legal and Professional Charges	1,161.79	599.35			
Customer Service Cost	24.41	103.35			
Claims and Commission related to Insurance Business	4,195.38	2,673.52			
Claims Paid and Receivables Written-off	-	4,258.63			
Royalty	387.92	334.86			
Printing and Stationery	52.63	41.14			
Warranty and Maintenance	1,291.10	986.09			
Provision for Doubtful Debts	20.86	24.29			
Loss on Sale/Discard of Assets and Capital Work-in-Progress	237.79	-			
Exchange Rate Fluctuation	-	493.13			
Office and General Expenses	1,830.25	1,429.54			
<b>Total</b>	<b>24,409.78</b>	<b>22,819.92</b>			
<b>31. TAX EXPENSE</b>					
Current Tax	3.39	4.32			
MAT Credit Entitlement	(3.20)	(3.67)			
Deferred Tax	(3,375.15)	(48.91)			
(Excess)/Short Provision of Income Tax for earlier years	(0.30)	(0.46)			
<b>Total</b>	<b>(3,375.26)</b>	<b>(48.72)</b>			



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	(₹ in Million)	
	15 Months ended 31st Mar., 2017	Year ended 31st Dec., 2015
<b>32. EARNINGS PER SHARE</b>		
<b>A) Earnings per Share before Extraordinary Item</b>		
i) Net Profit/(Loss) after Extraordinary Item attributable to Equity Shareholders	(27,090.00)	(21,862.30)
Less: Extraordinary Item	27,921.64	-
Net Profit/(Loss) before Extraordinary Item attributable to Equity Shareholders	(55,011.64)	(21,862.30)
ii) Weighted Average Number of Equity Shares considered for calculation of Basic EPS	334,458,875	334,458,875
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	334,458,875
iii) Basic Earnings per Share of ₹ 10/- each (₹)	(164.48)	(65.37)
Diluted Earnings per Share of ₹ 10/- each (₹)	(164.48)	(65.37)
<b>B) Earnings per Share after Extraordinary Item</b>		
i) Net Profit/(Loss) after Extraordinary Item attributable to Equity Shareholders	(27,090.00)	(21,862.30)
ii) Weighted Average Number of Equity Shares considered for calculation of Basic EPS	334,458,875	334,458,875
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	334,458,875
iii) Basic Earnings per Share of ₹ 10/- each (₹)	(81.00)	(65.37)
Diluted Earnings per Share of ₹ 10/- each (₹)	(81.00)	(65.37)

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

#### A) Defined Contribution Plans:

Amount of ₹ 253.79 Million (Previous year ₹ 198.97 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.

	(₹ in Million)			
	Gratuity		Leave Encashment	
	31st Mar., 2017	31st Dec., 2015	31st Mar., 2017	31st Dec., 2015
<b>B) Defined Benefit Plans:</b>				
I) The amounts recognised in the Balance Sheet as at the end of the period/year:				
a) Present value of Defined Benefit Obligation	362.31	347.09	79.43	85.84
b) Fair value of Plan Assets	111.02	93.47	-	-
c) Funded Status - Surplus/(Deficit)	(251.29)	(253.62)	(79.43)	(85.84)
d) Net Assets/(Liability)				
i) Non Current	(217.74)	(215.12)	(69.73)	(71.75)
ii) Current	(33.55)	(38.50)	(9.70)	(14.09)
II) The amounts recognised in the Statement of Profit and Loss for the period/year:				
a) Current Service Cost	45.58	46.74	19.65	15.85
b) Interest Cost	32.18	22.53	8.08	5.74
c) Actuarial (Gains)/Losses	(5.83)	22.96	5.94	20.17
d) Actual return on Plan Assets	10.08	7.75	-	-
e) Total Expenses	61.85	84.48	33.67	41.76
III) The changes in Obligations during the period/year:				
a) Present value of Defined Benefit Obligation at the beginning of the period/year	347.09	299.78	85.84	75.28
b) Current Service Cost	45.58	46.74	19.65	15.85
c) Interest Cost	32.18	22.53	8.08	5.74
d) Actuarial (Gains)/Losses	(5.83)	22.96	5.94	20.17
e) Past Service Cost	3.72	0.95	0.64	0.49
f) Benefit Payments	60.43	45.87	40.72	31.69
g) Present value of Defined Benefit Obligation at the end of period/year	362.31	347.09	79.43	85.84
IV) The changes in Plan Assets during the period/year:				
a) Plan Assets at the beginning of the period/year	93.47	85.18	-	-
b) Contribution by Employer	25.91	21.78	-	-
c) Actual Benefits paid	18.44	21.24	-	-
d) Plan Assets at the end of the period/year	111.02	93.47	-	-
e) Actual return on Plan Assets	10.08	7.75	-	-
V) Actuarial Assumptions				
a) Discount Rate	- 7.00% 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 Mar., 2017	As at 31st Dec., 2015
<b>34. CONTINGENT LIABILITIES AND COMMITMENTS</b>		
<b>A) Commitments</b>		
Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	703.25	590.94
<b>B) Contingent Liabilities not provided for:</b>		
i) Letters of Guarantees	32,657.45	43,891.39
ii) Letters of Credit opened (including Standby Letters of Credit)	1,501.46	966.73
iii) Claims against the Company not acknowledged as debts		
a) Custom Duty demands and penalties under dispute [Amount paid under protest ₹ 0.17 Million (As at 31st December, 2015 ₹ 0.07 Million)]	453.94	644.18
b) Income Tax demands under dispute [Amount paid under protest ₹ 1.60 Million (As at 31st December, 2015 ₹ Nil)]	3,202.00	1,088.98
c) Excise Duty and Service Tax demands and penalties under dispute [Amount paid under protest ₹ 86.85 Million (As at 31st December, 2015 ₹ 61.77 Million)]	1,451.61	1,333.74
d) Sales Tax demands under dispute [Amount paid under protest ₹ 85.85 Million (As at 31st December, 2015 ₹ 73.53 Million)]	855.19	1,122.94
e) Others [Amount paid under protest ₹ 50.00 Million (As at 31st December, 2015 ₹ 50.00 Million)]	6,852.37	9,467.05
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 ₹ 263.72 Million (As at 31st December, 2015 ₹ 420.13 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 ₹ 65.93 Million (As at 31st December, 2015 ₹ 105.03 Million).		
g) Disputed Income Tax demand amounting to ₹ 22.29 Million (As at 31st December, 2015 ₹ 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, 2015 ₹ 5.57 Million).		
<b>35.</b> 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 that 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.		
<b>36.</b> The Parent Company alongwith the subsidiary Electroworld Digital Solutions Limited (EDSL) (formerly 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 (RTL 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 Electroworld Digital Solutions Limited. Further Videocon Telecommunications Limited (VTL), the subsidiary, is also inducted as co-obligor in the said facility agreement with the consortium of RTL Lenders as mentioned in Note No. 6.1(a)(i) above.  As per the said Facility Agreement, the Parent Company is agent of the Obligors and has been referred to as 'Obligor Agent'. The Rupee Term Loans have to be utilised for the purpose mentioned in the Facility Agreement which is mainly for refinancing of existing Rupee Term Loans of the Obligors. Accordingly, the Rupee Term Loans were allocated to respective Obligors based on their outstanding amount as on 31st December, 2011 and the lenders have also disbursed further amounts to some of the Obligors. As the Parent Company, EDSL and VTL 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 March, 2017 of ₹ 23,868.55 Million (As at 31st December, 2015 ₹ 27,346.18 Million).		
<b>37.</b> Intesa Sanpaolo S.p.A., an Italian bank (Intesa), initiated winding up proceedings against the Parent Company on the basis of 'Patronage Letter' issued by the Company to the said Italian bank in June, 2007 for financial assistance given to the then one level step down subsidiary, M/s. VDC Technologies S.p.A. (VDC), 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 € 38.00 Million, which was confirmed by the division bench of the High Court of Judicature at Bombay on 18th July, 2014.		

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Company had 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 had 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 had also admitted SLP and final hearing was pending.

Intesa Sanpaolo S.p.A. had 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 had appeared in the matter and was contesting the said exparte decree on merit. The Company was advised by the legal counsel that decree passed by Turin Court was exparte decree and not on the merits and various substantial question of law and facts are involved in the matter and, hence, the Company had got reasonably good chances of success in the matter. Accordingly, no provision was considered in the standalone financial statements of the Company which were approved by the Board of Directors on 26th May, 2017.

However, subsequent to the date of approval of standalone financial statement, the said dispute was settled with Intesa by filing the Consent Terms before the Hon'ble Supreme Court, at ₹ 21.00 Million equivalent to ₹ 1,434.31 Million. It was also agreed to subrogate the dues of VDC in favour of the Company. The Consent Terms dated 27th June, 2017, were jointly submitted to Hon'ble Supreme Court, which vide order dated 17th July, 2017 directed the Registrar and the bank to lift the lien on fixed deposits for making the payment to Intesa as per the Consent Terms. The effect of the said settlement will be accounted for in the financial year 2017-18.

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.

In order to buy peace, the Company filed application with the Adjudication Authority who vide order dated 20th April, 2017 determined that the declared value of the Company is liable to be rejected and redetermined under Customs Valuation Rules read with Section 14 of the Customs Act, 1962 and the Company is liable to payment of anti-dumping duty amounting to ₹ 687.49 Million payable on the import of CPTs and the penalty of equivalent amount along with interest thereon under Section 114A of the Customs Act, 1962. Further, the Adjudication Authority imposed a penalty of ₹ 0.50 Million on the Company on High Sea Sales under Section 112(a) of the Customs Act, 1962. The Company has been advised by its counsels that the Order passed by Adjudication Authority is untenable in the court of laws and, accordingly, the Company has filed appeal against the said order before Customs, Excise and Service Tax Appellate Tribunal. Hence, 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 & IT directing it to show cause as to why the reserve price of ₹ 4,766.90 Million and interest on this amount are not to be recovered from 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. The said demand along with interest has been challenged before the Hon'ble TDSAT and the demand has been stayed.

Further, VTL has received revised notice dated 14th February, 2017 from the Department of Telecommunications (DoT) (Access Service Division), Ministry of Communications & IT for ₹ 7,234.64 Million (including interest) with revised reserve price of ₹ 4,567.50 Million.

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, out of which VTL 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 Long Term 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 Hon'ble TDSAT vide its order and judgment dated 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 Hon'ble TDSAT the claim of Liquidated Damages in respect of 7 circles (i.e. Bihar, Gujarat, Kerala, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh-West) seeking interim stay and setting aside the demand, inter alia on the ground that (1) there has been a delay in the allocation of start-up spectrum; (2) delay in SACFA clearance should have been calculated on the actual maximum delay and not the average delay; and (3) delay in meeting 10% roll-out obligations was on account of introduction by the DoT of new and onerous conditions in the license agreement (e.g. LI Testing, security clearance of equipment, etc.).

The Hon'ble 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 judgment 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 Hon'ble 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 only on the principal amount, in terms of the impugned judgment of the TDSAT.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

After the order of Hon'ble TDSAT dated 13th January, 2012, VTL has received revised liquidated damage demand notices of ₹ 657.50 Million vide letter dated 4th November, 2013, 23rd June, 2016 and 5th August, 2016 under the 21 UAS License. VTL contested the demand raised by DoT and submitted its representation and personal hearing over this issue is awaited.

- 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 has challenged the said demand in TDSAT vide petition no. 170 of 2014 and 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 alive during the pendency of the petition and furnishing of an undertaking to pay the unsecured amount of the entire demand raised in the event the petition fails.
- D) VTL has also received liquidated damage demand notice of ₹ 420.00 Million from DoT in respect of non-fulfilment of 2nd Phase and 3rd Phase rollout obligation under the UL (AS) license for Bihar, Uttar Pradesh - East and Uttar Pradesh - West service areas. VTL has contested the demand raised by DoT and submitted its representation and personal hearing over this issue is awaited.

The final demands payable by VTL, if any, is, therefore, unascertainable.

41. Infrastructure provider companies, ATC Telecom Infrastructure Private Limited (formerly VIOM Networks Limited), Tower Vision India Private Limited, ATC Telecom Tower Corporation Private Limited, Indus Towers Limited, Ascend Telecom Infrastructure Private Limited, Bharti Infratel Limited, GTL Infrastructure Limited, Chennai Network Infrastructure Limited and Reliance Infratel Limited have filed petition in Delhi High Court against VTL for claiming amount towards infrastructure provider fees, power and fuel dues, exit charges and interest aggregating to ₹ 9,311.44 Million (net of amounts provided for). According to VTL the same are not payable and VTL is disputing the same because under the contract VTL has made all the payment and nothing stands unpaid. (Reliance Infratel Limited and Ascend Telecom Infrastructure Private Limited cases has been disposed off in Delhi High Court).

VTL has been advised by the legal counsel that the claims are not maintainable and VTL has reasonably good chances of succeeding in the matter. VTL has already provided for the amount payable as per the contract and no further provision is considered necessary.

42. VTL was awarded licenses by the Department of Telecommunications ('DoT') to provide Unified Access Services ('UAS') in 21 telecom circles in India effective from 25th January, 2008 which were valid for a period of 20 years. VTL was also allocated spectrum in 20 circles and had launched its commercial operations in 17 circles. The Hon'ble Supreme Court of India, vide its order and judgment dated 2nd February, 2012 ('Judgment') in two separate writ petitions, quashed the UAS licenses granted on or after 10th January, 2008 and the subsequent allocation of spectrum to licensees which included the 21 UAS licenses issued and allocation of spectrum to VTL. The same judgment was based on inappropriateness in the conduct of Government of India ('GoI') and certain other parties (other than VTL) and therefore VTL has been penalized for the reasons attributable to the GoI and not VTL.

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

VTL has also filed petition against DoT and Telecom Regulatory Authority of India ('TRAI') before Hon'ble TDSAT seeking award of restitution of net expenditure from issuance of Letter of Intent ('LOI') to 18th January, 2013 and damages on various counts owing to the financial and business loss on cancellation of UASL held by VTL vide Hon'ble Supreme Court judgement dated 2nd February, 2012. Notice has been issued by the TDSAT to GoI and TRAI.

### 43. Discontinued Operations:

- A) 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 the 6 circles at an aggregate consideration of ₹ 46,530.00 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 said transaction has been concluded on 24th May, 2016 following all necessary approvals and the satisfaction of all the conditions including conditions stated in the Spectrum Trading Guidelines. Thus, VTL has discontinued the operations of GSM services (discontinue operations) with effect from 18th May, 2016. VTL is carrying on the business operations in the National Long Distance (NLD) and International Long Distance (ILD) business.

- B) The assets, liabilities, operating results and cash flows of discontinued operations are summarised below:

- i) The carrying amounts, as of the balance sheet date, of the total assets to be disposed off and the total liabilities to be settled:

(₹ in Million)		
Particulars	As at 31st Mar., 2017	As at 31st Dec., 2015
Total Assets	9,366.66	29,925.32
Total Liabilities	-	7,146.20

Discontinued operations assets includes license/spectrum fees, GSM related network equipments and liability includes loan repayable to Department of Telecommunications.

- ii) Revenue and expenses in respect of ordinary activities attributable to the discontinued operations:

(₹ in Million)		
Particulars	15 Months ended 31st Mar., 2017	Year ended 31st Dec., 2015
Revenue from Operations	1,301.69	5,141.74
Other Income	14.58	20.11
Total Income	1,316.27	5,161.85
Total Expenses	8,924.38	9,069.72
Profit/(Loss) before Tax and Extraordinary Item	(7,608.11)	(3,907.87)
Add: Extraordinary Item	27,921.64	-
Profit/(Loss) before Tax	20,313.53	(3,907.87)
Tax Expense	-	-
Income from Discontinued Operations after Tax	20,313.53	(3,907.87)

- iii) Cash flows attributable to the discontinued operations:

(₹ in Million)		
Particulars	15 Months ended 31st Mar., 2017	Year ended 31st Dec., 2015
Cash flows from operating activities	(5,966.29)	(2,801.06)
Cash flows from investing activities	46,530.00	258.96
Cash flows from financing activities	357.79	2,542.10

- C) The Extraordinary Item represents the aggregate consideration for trading of right to use 2x5 MHz Spectrum allotted to VTL of ₹ 46,530.00 Million net of the written down value of the spectrum of ₹ 18,608.36 Million which has been disposed off. Therefore, the net impact is ₹ 27,921.64 Million.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44. During the period, VTL has incurred net loss before extraordinary item of ₹ 13,344.61 Million and the accumulated losses as at 31st March, 2017 amounted to ₹ 62,941.06 Million. Further, VTL has entered into agreement for trading the right to use 2x5 MHz spectrum allotted to it in the 6 circles as mentioned in Note No. 43(A) above and discontinued the operations of GSM services with effect from 18th May, 2016. Though VTL has huge accumulated losses, its net worth as on 31st March, 2017 is positive. The management of VTL is confident of continuing its commercial operations in the National Long Distance (NLD) and International Long Distance (ILD) Business. Accordingly, the financial statements of VTL have been prepared on a going concern basis.

45. Consequent to VTL's aforesaid agreement for trading the right to use 2x5 MHz spectrum allotted to it in the 6 circles, GSM Network Assets including Assets held for Sale of ₹ 9,321.37 Million (including Capital Work in Progress ₹ 1,061.68 Million) has been shown under "Other Current Assets" in Note No. 22 as 'Tangible Assets held for Sale'. VTL is in the process of ascertaining the impairment loss, if any, on its fixed assets including capital work-in-progress. The requisite accounting effect, if any, will be given upon such ascertainment/determination.

46. VTL had given advances of ₹ 12,193.97 Million (As at 31st December, 2015 ₹ 11,306.79 Million) to Quadrant Televentures Limited (QTL) for the proposed acquisition of indefeasible Rights of Use (IRU) the UAS License of QTL in Punjab circle, subject to regulatory approvals. Out of this, an amount of ₹ 12,000.00 Million were converted into Unsecured Zero Coupon Compulsory Convertible Debentures of face value ₹ 1000/- each (CCD) (Convertible into 2% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of ₹ 100/- each at par) on 29th March, 2017. The conversion of the said CCD shall be after 1st April, 2025. The said investment and advances are shown under "Non Current Investments" and "Short Term Loans and Advances-Others" in Note No. 15 and 21 respectively.

47. 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 said subsidiary companies and joint venture 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.

#### 48. 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, Vedanta Limited (erstwhile Cairn India Limited) and Ravva Oil (Singapore) Pte. Limited. The parties have pursuant to the PSC, entered into a Joint Operating Agreement. Vedanta Limited is the Operator. The PSC period expires in October, 2019. The JV Parties have commenced discussions on seeking an extension to the permit by 10 years as allowed under the PSC and for which guidelines have been laid down by the Ministry of Petroleum & Natural Gas (MOPNG) / Directorate General of Hydrocarbons (DGH), to commercially monetize the remaining resources and additional exploration potential in the Block.

b) The JPDA Block 06-103 was set up under a PSC dated 15th November, 2006 entered into between the Autoridade Nacional do Petroleo (ANP) (previously the Timor Sea Designated Authority), and the Contractor Parties consisting of 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, The Contractor Parties have defined their rights, interest and obligations for proper regulation of petroleum operations, pursuant to PSC through a Joint Operating Agreement (JOA), which was entered into on the effective date 15th November, 2006. On 15th July, 2015 the ANP advised that it has terminated the PSC effective 15th July, 2015.

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, Timor-Leste (ANP) vide its letter dated 13th May, 2015 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. The JV while making a counter offer, 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. 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 hence 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 ₹ 176.10 Million.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Considering the developments, the carrying value of this exploration and evaluation assets amounting to USD 126.52 Million (equivalent to ₹ 8,498.49 Million) has been impaired.

- c) The original Nunukan PSC was signed on 12th December, 2004 covering an area of 4,917.47 sq. km. The Term of the PSC is 30 years from the Effective Date. As per the terms of the PSC at the end of the initial 6 (six) years period or 4 years extension thereto, if no Petroleum in commercial quantities is discovered in the Contract area, then without prejudice the Contract shall automatically terminate in its entirety. The JV has fulfilled all firm commitments and the current status of Nunukan work area has changed from Exploration to Development.

On 4th September 2009, Videocon Indonesia Nunukan Inc. (VIN), one of the wholly owned subsidiaries, had executed a Farmout Agreement with Anadarko Indonesia Nunukan Company - a wholly owned subsidiary Anadarko Petroleum Corporation, USA along with the related Joint Operating Agreement. Pursuant to this agreement, VIN has acquired a 12.50% participating interest in the PSC, 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. The Company had towards the end of 2015 increased its participating interest in the Block from 12.50% to 23% by acquiring without cost, its prorata share of exiting JV Partner Medco's 40% participating interest.

Badik oil and gas discovery in 2010 triggered further activity with 3D seismic data acquisition which identified 2 well locations for appraisal of Badik discovery. Following successful appraisal of Badik the adjacent prospect West Badik was taken up for drilling which resulted in oil and gas discovery in 2014. The oil and gas accumulations are found in sandstone reservoirs of Late-Miocene-Pliocene age which is part of Tarakan Formation.

The Badik Field has three wells and the West Badik Field has one well.

The JV had submitted a Plan of Development (POD-1) of Badik-West Badik Discoveries in November 2015 which was approved by Government of Indonesia in March 2016. In view of low LNG price scenario, the plan to build mini LNG plant as stated in POD-1 was no longer found to be feasible. As a result Pertamina, the holding company of the Operator PHENC which is spearheading the Gas marketing efforts, has widened its scope and is looking for other buyers. The potential candidates who expressed interest included a Government backed Fertilizer plant and the other a privately owned petrochemical plant who have indicated a higher gas requirement with a minimum supply of 85-100 MMSCFD for a period of 20 years.

For enhancing the currently estimated Gas reserve base, the Parang Well adjacent to Badik was taken up for exploration drilling towards the end of year 2016, resulting in Oil and Gas Discoveries that fulfil the objective of augmenting the existing reserve Base in Nunukan Block. The JV Parties hope to fulfil the obligation of bringing on commercial production within 5 years of POD-1 approval, by phasing in the production of oil and gas in Nunukan.

While the Pre-Development activities (FEED etc) for Badik-West Badik are in progress, JV Parties are looking to monetize the Parang discovery at the earliest and is fast tracking the appraisal of Parang discovery by carrying out 3D OBN seismic data acquisition (Q4-2017) followed by drilling 3 appraisal wells in 2018, in order to integrate with development of Badik-West Badik fields (POD 1). Post appraisal of Parang discovery, the Parang field development is planned to be integrated with that of Badik-West Badik fields.

Operator proposes to take up drilling of the Keris prospect to further augment existing resource base (especially the oil component). Keris prospect is advantageously located close to the Bunyu Island forming the flank of oil/gas producing Bunyu field structure while sharing the same trend with Badik – West Badik – Parang structures.

Gaffney, Cline & Associates has conducted a Geological, Geophysical and Reservoir Engineering study and Resources Assessment of the Badik and West Badik discoveries for submission of POD-1.

### C. Incorporated Jointly Controlled Entities:

- a) IBV Brasil Petroleo Limitada (IBV), a company incorporated in Brazilis 50 : 50 joint venture between Videocon Energy Brazil Limited (VEBL), a wholly owned subsidiary of the Company and Bharat Petro Resources 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:VEBL has 12.50% participating interest in BM-C30 Campos Concession, where Anadarko Corporation U.S.A. is Operator. Located 130 Km. Offshore in prolific Campos Basin off the Rio de Janeiro and Espirito Santo States of Brazil. The block covers an area of 716 Sq. Km. in the water depths of 1,400 to 2,500 meters. BM-C-30 Campos Concession Agreement and Joint Operating Agreement is in effect from 24<sup>th</sup> November, 2004. Both the two phases of Exploration with First Phase of 4 years and Second Phase of 2 years duration have been successfully completed with the drilling of Wahoo#5 and fulfilling all of the proposed Firm activities of the Exploration Phases.

Oil and gas initially discovered in the Pre-Salt Upper-Sag Carbonates, of Aptian Age in Wahoo#1, was subsequently appraised by drilled wells Wahoo#2, Wahoo#4 and Wahoo#5. A DST in Wahoo#1 produced at restricted level of 7,900 BOPD as higher levels involved unacceptable gas flaring.

The JV has retained the entire Block, after second phase of exploration for a five year Evaluation Phase approved by ANP. ANP agreed on 4<sup>th</sup> April, 2016 to the request of JV Parties for extension of the Discovery Assessment Plan (PAD) to 30<sup>th</sup> June, 2022.

In the adjacent block BM-C-32 Itaipu Block Anadarko has taken over Operatorship from BP and other consortium partner are BP and Maersk. It is envisaged to develop both Wahoo & Itaipu fields after ANP's approval which will facilitate joint development between the two fields, including cost savings through various development synergies.

Significant upside in Wahoo#SW structure is envisaged based on 2D Full Waveform Inversion studies. Further fine tuning of the PAD plan is under preparation for presenting to ANP without altering the final deadline.

- ii) Sergipe Concession: Sergipe Concession Contract BM-SEAL-11 was signed in the Sixth Round of Bidding, covering an area of 2,831 Sq.Km. in the North-Eastern offshore of Brazilian Basin and comprising of 4 Blocks SEAL-M-349, SEAL-M-426, SEAL-M-497 and



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

SEAL-M-569. Petroleo Brasileiro S.A. (Petrobras) is the Operator with 60% and VEBL has a 20% participating interest.

The exploration phases in the Concession have been fulfilled for all the four blocks. ANP has approved five appraisal plans in this concession with various timelines, 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) Barra PAD: In Block SEAL-M-426 in Sergipe Concession, the First Exploration Phase was completed with successful drilling of the commitment well Barra (1-SES-158) and the subsequently, Barra#2 well was also successfully drilled as per the Discovery Assessment Plan approved by ANP. Pursuant to PAD, another exploration Barra#3 appraisal well, was drilled, successfully towards N-NE of the Barra prospect and Drill Stem Test (DST) established good flow potential for these reservoirs. JV has decided to drill Barra Sul location south of Barra discovery for ring fencing and for Integrated Development Plan.
- ii) Farfan PAD: In the second phase Minimum Work Programme (MWP), well Farfan, in Block SEAL-M-426, was successfully drilled and as per the PAD to appraise Farfan discovery area was approved by ANP. An appraisal well Farfan# 2, an independent prospect was drilled but was found to be dry. However, the Second appraisal well Farfan#3 on the main Farfan feature followed by additional appraisal well, Farfan#ADR, were drilled and tested successfully which encountered the main Farfan pay without water contact, and yielded a very good injectivity test.
- iii) Cumbe PAD: In Block SEAL-M-349 in Sergipe Concession, Cumbe exploration well was drilled successfully as an additional well to MWP. PAD approved by ANP to appraise Cumbe discovery and drilling of Cumbe#2 has been completed successfully.
- iv) Papangu PAD: In Block SEAL-M-497, one MEP well Capela was drilled unsuccessfully without any commercial hydrocarbon. Area around this well now stands relinquished. As in Block SEAL-M-569, the MWP well Papangu was drilled targeting Campanian sands and Albian Carbonates. Campanian sands had numerous shows.
- v) Verde PAD: Based on the detailed analysis of the well results and the way forward in the contiguous blocks 497 and 569, approved for 5 years PAD for appraisal of Papangu discovery and for appraisal of discovery of oil in BM-SEAL-4 (Petrobras 75% and ONGC Videsh 25%) in well Verde which probably extends toward blocks SEAL-M-497 and SEAL-M-569 (northern portion). Petrobras is Operator for BM-SEAL-11 and BM-SEAL-4. 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.

In view of this, Operator to perform joint assessment, involving the contracts BM-SEAL-4 and BM-SEAL-11 (Blocks SEAL-M-497 and SEAL-M-569).

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 Verde) in an integrated manner to make it optimal and more economical.

In October 2016, Operator Petrobras presented a proposal to conduct Extended Well Test (EWT) of the Farfan Field at a total cost of USD 258 million and the same has been approved by the JV. The EWT proposed for 6 months from September 2018 to February 2019, will confirm reservoir parameters and will produce at a restricted rate of 7,200 barrels per day from the Farfan#1 Well, as higher levels involved unacceptable gas flaring and the reservoir pressures monitored by the CATs System for Farfan#ADR Well. Operator has confirmed that all activities underlying the EWT are proceeding as per schedule, including the Environmental Clearance by IBAMA.

- III) Potiguar Concession: Potiguar Concession Contract POT-M-16 was signed on 12<sup>th</sup> January, 2006 in the Seventh Round of Bidding, comprising of Blocks POT-M-663, POT-M-760 and covers an area of 1,535 sq. km. Petrobras is the Operator with 30% and VEBL has a 10% participating interest in the Potiguar Concession.

Well Ararauna, targeted to 5300 Meters TD, was drilled which discovered thin oil bearing sands in Albian/ Cenomanian age and Discovery Assessment Plan (PAD) was approved by ANP to further appraise the Ararauna discovery in Block POT-M-663 of the concession, with the drilling of a firm well after interpretation of the multiclient 3D 406 Sq. Km. of Seismic acquisition, by PGS, in POT16 proposed for November 2017. All the other activities, including G&G studies, are going on as scheduled in the latest PAD approved by 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 (ES24) Concession: The Concession comprises of 3 Blocks ES-M-588, ES-M-663 and ES-M-661. The Blocks are located along the Brazilian Continental Margin and extending from the Central-Southern part of Espirito Santos state to the Southern part of Bahia State. Petrobras is the Operator with 70% and VEBL has a 15% participating interest in the Espirito Santos JV.

ES-24A Concession was carved out of ES-24 Concession, with Block ES-M-661, whereby Anadarko withdrew from the Concession and IBV continued with its original stake of 30% participating interest with Operator, Petrobras picking up Anadarko's participating interest of 30% to raise its participating interest to 70% in year 2010.

As per the Concession Agreement all the three Blocks areas in the Espirito Santos Concession, after fulfillment of Minimum Work Programme of the Exploration Phases by JV Parties and in view of very thin oil zones encountered in the exploratory wells drilled in these Blocks, the said Blocks now stands relinquished.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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/Tes Parks, Biotech Parks etc. The Joint Venture Company has not commenced its commercial operations.
- c) The financial interest of the Group in the jointly controlled incorporated entities based on financial statement received from these Joint Venture entities are as under:

(₹ in Million)		
Group's share in	31st March, 2017	31st Dec., 2015
Assets	54,012.13	49,218.30
Liabilities	18,205.84	47,168.13
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 ₹ 3,217.46 Million (As at 31st December, 2015 ₹ 42,754.18 Million).

### 49. 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:
- Associates:
    - Radium Appliances Private Limited - Associate - 26%
    - Unity Power Private Limited - Associate of Applied Energy Private Limited - 26%
  - 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) (upto 31st March, 2017)
    - Mr. Pradeep Paliwal - Chief Executive Officer (Videocon Telecommunications Limited) (w.e.f. 1st April, 2017)
    - Mr. Roopam Asthana - Chief Executive Officer (Liberty Videocon General Insurance Company Limited)
    - Mr. Sunil Kumar Jain - Senior Vice President (upto 30th June, 2016)
    - 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 (upto 11th February, 2017)
    - Mr. Mandar Joshi - Company Secretary (w.e.f. 11th February, 2017)
    - Mr. Satpal Bansal - Chief Financial Officer (Videocon Telecommunications Limited) (upto 31st March, 2017)

- Mr. Narendra Joshi - Chief Financial Officer (Videocon Telecommunications Limited) (w.e.f. 1st April, 2017)
- 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:

(₹ in Million)		
Particulars	Associates	Key Management Personnel
<b>Nature of Transactions</b>		
Short Term Advances/Loans given	0.01 (0.01)	
Remuneration		209.87 (160.07)
<b>Outstanding as at 31st March, 2017</b>		
Short Term Advances/Loans given	0.58 (0.57)	
Investments	113.18 (87.71)	

\* (Figures in bracket are for the period ended 31st December, 2015)

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

Short Term Advances/Loans Given to Radium Appliances Private Limited ₹ 0.01 Million (Previous year ₹ 0.01 Million).

### 50. The effect of disposal of subsidiaries during the period on the Consolidated Financial Statements is as follows:

(₹ in Million)		
Name of the Company	Effect on Consolidated Profit/(Loss)	Net Assets As at 31st March, 2017
<b>Disposal</b>		
Comet Power Private Limited	58.76	108.25
Indigo Energy Private Limited	-	(0.14)
Percept Energy Private Limited	-	0.81

51. 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	Period ended 31st Mar., 2017	Year ended 31st Dec., 2015
a) Amount at the beginning of the period / year	638.25	648.46
b) Additional provision made during the period / year	639.23	638.25
c) Amount used	616.97	619.07
d) Unused amount reversed during the period / year	21.28	29.39
e) Amount at the end of the period / year	639.23	638.25

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 52. 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 Mar., 2017	As at 31st Dec., 2015
Not later than 1 year	142.02	82.03
Later than 1 year and not later than 5 years	110.98	177.55
More than 5 years	-	170.78
<b>Total</b>	<b>253.00</b>	<b>430.36</b>

- 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 19 are not applicable.
53. 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.
54. 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.
55. The details of Specified Bank Notes (SBN) held and transacted by the Parent Company and subsidiary companies in India during the period from 8th November, 2016 to 30th December, 2016:

(₹ in Million)

Particulars	SBNs (Old ₹ 500 and ₹ 1000 Notes)	Other Denomination Notes	Total
Closing Cash in hand as on 8th November, 2016	13.39	8.03	21.42
(+) Permitted receipts	0.03	14.24	14.27
(-) Permitted payments	0.23	14.62	14.85
(-) Amount deposited in Banks	13.19	3.02	16.21
Closing Cash in hand as on 30th December, 2016	-	4.63	4.63

56. 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
<b>a) Parent Company:</b>				
Videocon Industries Limited	142.34%	83,910.70	70.72%	(19,156.75)
<b>b) Foreign Subsidiary Companies:</b>				
Videocon JPDA 06-103 Limited	(0.01%)	(5.60)	(1.47%)	397.33
Videocon Energy Brazil Limited	(1.94%)	(1,144.15)	0.02%	(6.03)
Videocon Indonesia Nunukan Inc.	(0.05%)	(30.09)	0.01%	(3.43)
Videocon Australia WA-388-P Limited	(0.03%)	(20.14)	0.01%	(1.79)
Videocon Mauritius Energy Limited	154.70%	91,201.08	0.01%	(1.39)
Videocon Hydrocarbon Holdings Limited	175.93%	103,715.69	74.19%	(20,097.18)
Videocon International Cooperatie U.A.	(0.02%)	(10.75)	0.01%	(1.43)
Videocon Hydrocarbon Ventures B.V.	(0.01%)	(3.36)	0.00%	(0.85)
Videocon Brazil Ventures B.V.	(0.01%)	(3.64)	0.00%	(0.88)
Videocon Brazil Petroleo Ltda	(0.00%)	(0.26)	0.00%	(0.44)
Videocon Global Limited	(0.88%)	(516.64)	1.00%	(270.20)
Middle East Appliances LLC	(0.93%)	(551.06)	0.06%	(17.38)
Videocon Electronic (Shenzen) Limited	(0.00%)	(0.63)	(0.05%)	13.35
<b>c) Indian Subsidiary Companies:</b>				
Indigo Energy Private Limited	0.00%	-	0.00%	-
Percept Energy Private Limited	0.00%	-	0.00%	(0.01)
Comet Power Private Limited	0.00%	-	(0.06%)	15.85
Applied Energy Private Limited	(0.01%)	(5.54)	0.01%	(1.74)
Proficient Energy Private Limited	(0.04%)	(24.89)	0.03%	(7.86)
Videocon Energy Limited	1.68%	992.64	0.00%	(0.04)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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
Prosperous Energy Private Limited	(0.00%)	(2.12)	0.01%	(1.96)
Chhattisgarh Power Ventures Private Limited	(0.00%)	(0.39)	0.00%	(0.08)
Pipavav Energy Private Limited	30.87%	18,201.19	0.00%	(0.08)
Videocon Oil Ventures Limited	0.89%	522.67	1.73%	(467.75)
Electroworld Digital Solutions Limited	184.57%	108,809.20	3.04%	(823.35)
Jumbo Techno Services Private Limited	3.76%	2,218.35	0.01%	(3.51)
Senior Consulting Private Limited	0.01%	6.82	0.00%	(0.02)
Videocon Telecommunications Limited	28.94%	17,058.94	(53.81%)	14,577.03
Videocon Easypay Private Limited	0.02%	9.15	0.00%	(0.26)
Liberty Videocon General Insurance Company Ltd	5.51%	3,245.54	8.53%	(2,309.95)
<b>d) Foreign Joint Venture Company</b> (as per proportionate consolidation)				
IBV Brasil Petroleo Limitada	60.74%	35,806.34	0.00%	-
<b>e) Indian Joint Venture Company</b> (as per proportionate consolidation)				
Videocon Infinity Infrastructure Private Limited	(0.00%)	(0.04)	0.00%	-
<b>f) Indian Associates</b> (Investment as per the equity method)				
Unity Power Private Limited	0.09%	51.82	(0.09%)	25.47
Radium Appliances Private Limited	(0.00%)	(0.03)	0.00%	(0.01)
<b>g) Minority Interest in all Subsidiaries</b>	(4.20%)	(2,476.98)	0.69%	(188.25)

### 57. Segment Information:

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

- 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:

Particulars	(₹ in Million)									
	Consumer Electronics and Home Appliances		Crude Oil and Natural Gas		Telecommunications		Others		Total	
	15 Months ended 31.03.2017	Year ended 31.12.2015	15 Months ended 31.03.2017	Year ended 31.12.2015	15 Months ended 31.03.2017	Year ended 31.12.2015	15 Months ended 31.03.2017	Year ended 31.12.2015	15 Months ended 31.03.2017	Year ended 31.12.2015
<b>i) Segment Revenue</b>										
- External	123,512.37	120,999.62	6,204.97	7,893.77	8,846.85	10,991.29	5,327.82	3,059.58	143,892.01	142,944.26
- Inter Segment	-	-	-	-	-	-	-	-	-	-
Total Segment	123,512.37	120,999.62	6,204.97	7,893.77	8,846.85	10,991.29	5,327.82	3,059.58	143,892.01	142,944.26
<b>ii) Segment Result before Finance Costs</b>	1,887.39	13,129.20	(6,912.28)	1,565.79	(7,780.30)	(3,504.75)	(2,923.33)	(2,001.74)	(15,728.52)	9,188.50
Less: Finance Costs	-	-	-	-	-	-	-	-	48,365.94	31,910.90
Add: Other Unallocable Income/ (Expenses)	-	-	-	-	-	-	-	-	4,460.07	541.56
Profit/(Loss) before Extraordinary item and Tax	-	-	-	-	-	-	-	-	(59,634.39)	(22,180.84)
Add: Extraordinary Item	-	-	-	-	-	-	-	-	27,921.64	-
Profit/(Loss) before Tax	-	-	-	-	-	-	-	-	(31,712.75)	(22,180.84)
Add: Share in Profit of Associates	-	-	-	-	-	-	-	-	25.47	20.28
Add: Profit/(Loss) on Disposal/Dilution of holding in Subsidiaries/Associates	-	-	-	-	-	-	-	-	1,410.27	-
Tax Expense	-	-	-	-	-	-	-	-	(3,375.26)	(48.72)
Profit/(Loss) before Minority Interest	-	-	-	-	-	-	-	-	(26,901.75)	(22,111.84)
Add: Minority Interest	-	-	-	-	-	-	-	-	(188.25)	249.54
Profit/(Loss) for the period from Continuing and Discontinued Operations	-	-	-	-	-	-	-	-	(27,090.00)	(21,862.30)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(₹ in Million)

Particulars	Consumer Electronics and Home Appliances		Crude Oil and Natural Gas		Telecommunications		Others		Total	
	15 Months ended 31.03.2017	Year ended 31.12.2015	15 Months ended 31.03.2017	Year ended 31.12.2015	15 Months ended 31.03.2017	Year ended 31.12.2015	15 Months ended 31.03.2017	Year ended 31.12.2015	15 Months ended 31.03.2017	Year ended 31.12.2015
Profit/(Loss) from Continuing Operations Before Tax	-	-	-	-	-	-	-	-	(50,778.79)	(18,003.15)
Tax Expense	-	-	-	-	-	-	-	-	(3,375.26)	(48.72)
Profit/(Loss) from Continuing Operations After Tax	-	-	-	-	-	-	-	-	(47,403.53)	(17,954.43)
Profit/(Loss) from Discontinued Operations Before Tax	-	-	-	-	-	-	-	-	20,313.53	(3,907.87)
Tax Expense	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) from Discontinued Operations After Tax	-	-	-	-	-	-	-	-	20,313.53	(3,907.87)
Profit/(Loss) for the period/year	-	-	-	-	-	-	-	-	(27,090.00)	(21,862.30)

## iii) Other Information:

(₹ in Million)

Particulars	Consumer Electronics and Home Appliances		Crude Oil and Natural Gas		Telecommunications		Others/Unallocable		Total	
	15 Months ended 31.03.2017	Year ended 31.12.2015	15 Months ended 31.03.2017	Year ended 31.12.2015	15 Months ended 31.03.2017	Year ended 31.12.2015	15 Months ended 31.03.2017	Year ended 31.12.2015	15 Months ended 31.03.2017	Year ended 31.12.2015
Segment Assets	189,911.56	195,056.04	198,420.33	200,615.09	34,850.54	49,330.57	139,681.13	156,699.84	562,863.56	601,701.54
Segment Liabilities	128,629.73	127,898.45	214,899.50	198,082.03	29,792.45	46,849.24	130,590.15	147,971.55	503,911.83	520,801.27
Capital Expenditure during period	181.87	2,647.30	44,652.67	22,725.16	(1,220.90)	12.21	145.38	0.05	43,759.02	25,384.72
Depreciation and Impairment for the period	7,025.97	6,558.64	8,677.30	333.66	1,352.41	3,175.24	352.57	344.33	17,408.25	10,411.87

## d) Secondary Segment Information:

(₹ in Million)

Particulars	Within India		Outside India		Total	
	15 Months ended 31.03.2017	Year ended 31.12.2015	15 Months ended 31.03.2017	Year ended 31.12.2015	15 Months ended 31.03.2017	Year ended 31.12.2015
Segment Revenue - External Turnover	132,928.22	134,911.62	10,963.79	8,032.64	143,892.01	142,944.26
Segment Assets	376,560.94	388,320.59	186,302.62	213,380.95	562,863.56	601,701.54
Segment Liabilities	295,292.08	327,322.85	208,619.75	193,478.42	503,911.83	520,801.27
Capital Expenditure	(843.88)	3,035.29	44,602.90	22,349.43	43,759.02	25,384.72

**Note:** The Company has disclosed business of Power as a reportable segment in the preceding year and had segment revenue of ₹ 335.46 Million. During the period the revenue under this segment was only ₹ 337.79 Million. As the revenue from this segment is insignificant, it is no more considered as a reportable segment as per Accounting Standard 17 'Segment Information'.

58. Previous year figures have been reclassified, regrouped and recasted to conform to the classification of the current period. The figures of the current period are not comparable with those of the previous year as: i) the figures for the current period are for a period of 15 months as against 12 months in previous year; ii) the current period's figures do not include operations of certain subsidiaries, consequent to their cessation to be subsidiaries of the Company, as stated in Note No. 2 above.

As per our report of even date

For and on behalf of the Board

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

**For KADAM & CO.**  
Chartered Accountants

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

**S. S. DAYAMA**  
Director  
DIN: 00217692

**BHUPENDRA Y. KARKHANIS**  
Partner  
Membership No. 108336

**U. S. KADAM**  
Partner  
Membership No. 31055

**MANDAR JOSHI**  
Company Secretary  
Membership No.: A40533

**A. A. GUNE**  
Chief Financial Officer

Place: Mumbai  
Date : 24<sup>th</sup> November, 2017



**FORM AOC-1**  
**STATEMENT CONTAINING SAILNET FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES**  
[Pursuant to First Proviso of Sub-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	Applied Energy Private Limited	₹	₹ million		0.10	-	(5.64)	66.29	71.83	61.36	0.02	(1.74)	-	(1.74)	-	100.00%
2	Proficent Energy Private Limited	₹	₹ million		0.10	-	(24.99)	45.07	69.96	0.10	6.06	(7.94)	(0.08)	(7.86)	-	100.00%
3	Videocon Energy Limited	₹	₹ million		1,000.00	-	(7.36)	993.29	0.65	0.10	-	(0.04)	-	(0.04)	-	100.00%
4	Prosperous Energy Private Limited	₹	₹ million		0.10	-	(2.22)	432.45	434.57	-	-	(1.96)	-	(1.96)	-	100.00%
5	Chhatishgah Power Ventures Private Limited	₹	₹ million		0.10	-	(0.49)	1,383.13	1,383.52	-	-	(0.08)	-	(0.08)	-	100.00%
6	Pipravav Energy Private Limited	₹	₹ million		10,583.46	-	7,617.73	18,314.67	113.48	-	-	(0.08)	-	(0.08)	-	100.00%
7	Videocon JPDA 06-103 Limited	US\$	₹ million	64.8386	0.06	-	(5.66)	2.04	7.64	-	-	383.53	-	383.53	-	100.00%
			US\$ million		0.001	-	(0.09)	0.03	0.12	-	-	5.92	-	5.92	-	100.00%
8	Videocon Energy Brazil Limited	US\$	₹ million	64.8386	0.06	-	(1,144.22)	135,616.49	136,760.65	31,353.21	-	(5.82)	-	(5.82)	-	100.00%
			US\$ million		0.001	-	(17.65)	2,091.60	2,109.25	483.56	-	(0.09)	-	(0.09)	-	100.00%
9	Videocon Indonesia Nunukan Inc.	US\$	₹ million	64.8386	0.06	-	(30.16)	12,253.41	12,283.51	-	-	(3.31)	-	(3.31)	-	100.00%
			US\$ million		0.001	-	(20.14)	188.98	189.45	-	-	(1.73)	-	(1.73)	-	100.00%
10	Videocon Australia WA-388-P Limited	US\$	₹ million	64.8386	-	-	(0.31)	0.48	20.62	-	-	(0.03)	-	(0.03)	-	100.00%
			US\$ million		0.001	-	(30,701.97)	98,090.23	6,889.15	90,428.36	-	(1.34)	-	(1.34)	-	100.00%
11	Videocon Mauritius Energy Limited	US\$	₹ million	64.8386	1,890.10	-	(473.51)	1,572.84	106.25	1,394.67	-	(0.02)	-	(0.02)	-	100.00%
			₹ million		13,162.24	-	90,553.45	311,951.39	208,235.70	121,903.98	58.54	(19,399.00)	-	(19,399.00)	-	100.00%
12	Videocon Hydrocarbon Holdings Limited	US\$	₹ million	64.8386	203.00	-	1,396.60	4,811.20	3,211.60	1,880.11	0.90	(299.19)	-	(299.19)	-	100.00%
			₹ million		89,247.6	-	(11.44)	5.94	16.69	0.00	-	(1.34)	-	(1.34)	-	100.00%
			₹ million		0.01	-	(0.17)	0.09	0.25	0.00	-	(0.02)	-	(0.02)	-	100.00%
14	Videocon Hydrocarbon Ventures B.V.	€	₹ million	69.2476	1.25	-	(4.61)	0.80	4.16	-	-	(0.80)	-	(0.80)	-	100.00%
			₹ million		0.02	-	(0.07)	0.01	0.06	-	-	(0.01)	-	(0.01)	-	100.00%
15	Videocon Brazil Ventures B.V.	€	₹ million	69.2476	1.25	-	(4.89)	1.10	4.73	0.20	-	(0.83)	-	(0.83)	-	100.00%
			₹ million		0.02	-	(0.07)	0.02	0.07	0.00	-	(0.01)	-	(0.01)	-	100.00%
16	Videocon Brazil Petroleo Ltda	BRL	₹ million	20.6057	0.21	-	(0.46)	0.18	0.43	-	-	(0.46)	-	(0.46)	-	100.00%
			BRL million		0.01	-	(0.02)	0.01	0.02	-	-	(0.02)	-	(0.02)	-	100.00%
17	Videocon Oil Ventures Limited	₹	₹ million	64.8386	1,850.00	-	(1,327.33)	13,677.55	13,154.88	12,042.09	1,384.28	(467.75)	-	(467.75)	-	100.00%
			₹ million		56.34	-	(572.99)	2,331.29	2,847.94	-	25.30	(260.81)	-	(260.81)	-	100.00%
			US\$ million		0.87	-	(8.84)	35.96	43.93	-	0.39	(4.02)	-	(4.02)	-	100.00%
19	Middle East Appliances LLC	RO	₹ million	169.00	380.56	701.53	(931.62)	178.33	27.86	-	-	(16.77)	-	(16.77)	-	100.00%
			₹ million		2.25	4.15	(5.51)	1.06	0.17	-	-	(0.10)	-	(0.10)	-	100.00%
20	Videocon Electronic (Shenzhen) Limited (Chinese Name- Wei You Kang Electronic (Shenzhen) Co.Ltd)	CNY	₹ million	9.4098	8.65	-	(9.28)	10.19	10.82	-	137.49	20.54	0.19	20.35	-	100.00%
			CNY million		0.92	-	(0.99)	1.08	1.15	-	14.61	2.18	0.02	2.16	-	100.00%
21	Electroworld Digital Solutions Limited (formerly Videocon International Electronics Limited)	₹	₹ million		124,204.72	-	(15,395.52)	115,302.55	6,493.35	67,708.18	0.23	(823.35)	-	(823.35)	-	100.00%
22	Jumbo Techno Services Private Limited	₹	₹ million		1,000.00	-	1,218.35	8,813.27	6,594.92	8,000.00	0.23	(3.51)	-	(3.51)	-	100.00%
23	Senior Consulting Private Limited	₹	₹ million		10.00	-	(3.18)	1,380.99	1,380.17	1,350.00	0.23	(0.02)	-	(0.02)	-	100.00%
24	Videocon Telecommunications Limited	₹	₹ million		80,000.00	-	(62,941.06)	46,860.04	29,801.10	12,050.12	8,865.29	14,577.03	-	14,577.03	-	93.75%
25	Videocon Easyasp Private Limited	₹	₹ million		10.00	-	(0.85)	9.17	0.02	-	0.20	(0.26)	-	(0.26)	-	93.75%
26	Liberty Videocon General Insurance Company Limited	₹	₹ million		9,843.50	-	(6,597.96)	9,636.43	6,390.89	8,129.95	5,705.93	(2,309.95)	-	(2,309.95)	-	56.53%

**(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 (₹ in Million)	Profit/(Loss) for the period		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)	Extend of Holding %		Considered in Consolidation (₹ in Million)	Not Considered in Consolidation (₹ in Million)		
1	Videcon Infinity Infrastructure Private Limited	31.03.2017	5,000	0.05	50.00%	(0.04)	-	Note (a)	-	
2	IBV Brasil Petroleo Limitada	31.12.2016	1,704,196,308	32,839.64	50.00%	36,289.89	-	Note (a)	-	
3	Unity Power Private Limited	31.03.2017	2,600	0.03	26.00%	51.82	25.47	Note (b)	-	
4	Radium Appliances Private Limited	31.03.2017	2,600	0.03	26.00%	(0.03)	(0.01)	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) Videcon International Cooperativa U.A

(b) Videcon Hydrocarbon Ventures B.V.

(c) Videcon Brasil Ventures B.V.

(d) Videcon Brasil Petroleo Ltda

As per our report of even date

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

**BHUPENDRA Y. KARKHANIS**  
Partner  
Membership No. 108336

Place: Mumbai

Date : 24th November, 2017

For and on behalf of the Board

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

**MANDAR JOSHI**  
Company Secretary  
Membership No.: A40533

**S. S. DAYAMA**  
Director  
DIN: 00217692

**A. A. GUNE**  
Chief Financial Officer

## 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  
District: 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

#### 27<sup>th</sup> Annual General Meeting - Friday, 22<sup>nd</sup> December, 2017

Name of the Member(s)

Registered address

Email ID

Folio No. / Client ID

DP ID

I/we, being the Member (s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

Name : \_\_\_\_\_ Email ID : \_\_\_\_\_

Address : \_\_\_\_\_

\_\_\_\_\_  
Signature : \_\_\_\_\_

*or failing him/her*

Name : \_\_\_\_\_ Email ID : \_\_\_\_\_

Address : \_\_\_\_\_

\_\_\_\_\_  
Signature : \_\_\_\_\_

*or failing him/her*

Name : \_\_\_\_\_ Email ID : \_\_\_\_\_

Address : \_\_\_\_\_

\_\_\_\_\_  
Signature : \_\_\_\_\_

(contd.....)

as my/ our proxy to attend and vote (on a poll) for me /us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on the Friday, 22nd day of December, 2017 at 11.00 a.m. at the Registered office at 14 K. M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, Aurangabad - 431 105 (Maharashtra) and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution Number	Resolution	For	Against
<b>Ordinary Business:</b>			
1.	Adoption of Standalone and Consolidated Audited Statement of Profit and Loss for the financial year ended 31 <sup>st</sup> March, 2017 and the Audited Balance Sheet as at that date together with Cash Flow Statement, 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.	Appointment of M/s. S. Z. Deshmukh & Co., Chartered Accountants, (Firm Registration No. 102380W) as Auditors of the Company and fixation of their remuneration.		
<b>Special Business:</b>			
4.	Ratification and confirmation of payment of remuneration to Mr. Jayant B. Galande, Cost Auditor of the Company.		
5.	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. 2,000 Crores (Rupees Two Thousand Crores Only), or its equivalent in foreign currency.		
6.	Appointment of Mrs. Sarita Surve (DIN: 07728829), as an Independent Director.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

Affix  
Revenue  
Stamp  
Re. 1

\_\_\_\_\_  
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.*

## ATTENDANCE SLIP

### VIDEOCON INDUSTRIES LIMITED

CIN : L99999MH1986PLC103624

**Regd. Office :** 14 K.M. Stone, Aurangabad – Paithan Road, Village: Chittegaon, Taluka: Paithan  
District: 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

#### 27<sup>th</sup> Annual General Meeting - Friday, 22<sup>nd</sup> December, 2017

Regd. Folio No. / Client ID No.	
---------------------------------	--

DP ID No.	
-----------	--

No. of shares held	
--------------------	--

I certify that I am a registered Shareholder/Proxy for the registered Shareholder of the Company.

I hereby record my presence at the **27<sup>th</sup> ANNUAL GENERAL MEETING** of the Company held on Friday, 22<sup>nd</sup> December, 2017 at 11.00 a.m. at the Registered Office of the Company at 14 K. M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan Aurangabad - 431 105 (Maharashtra).

.....  
Member's / Proxy's Name in Block Letters

.....  
Member's / Proxy's Signature

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL.

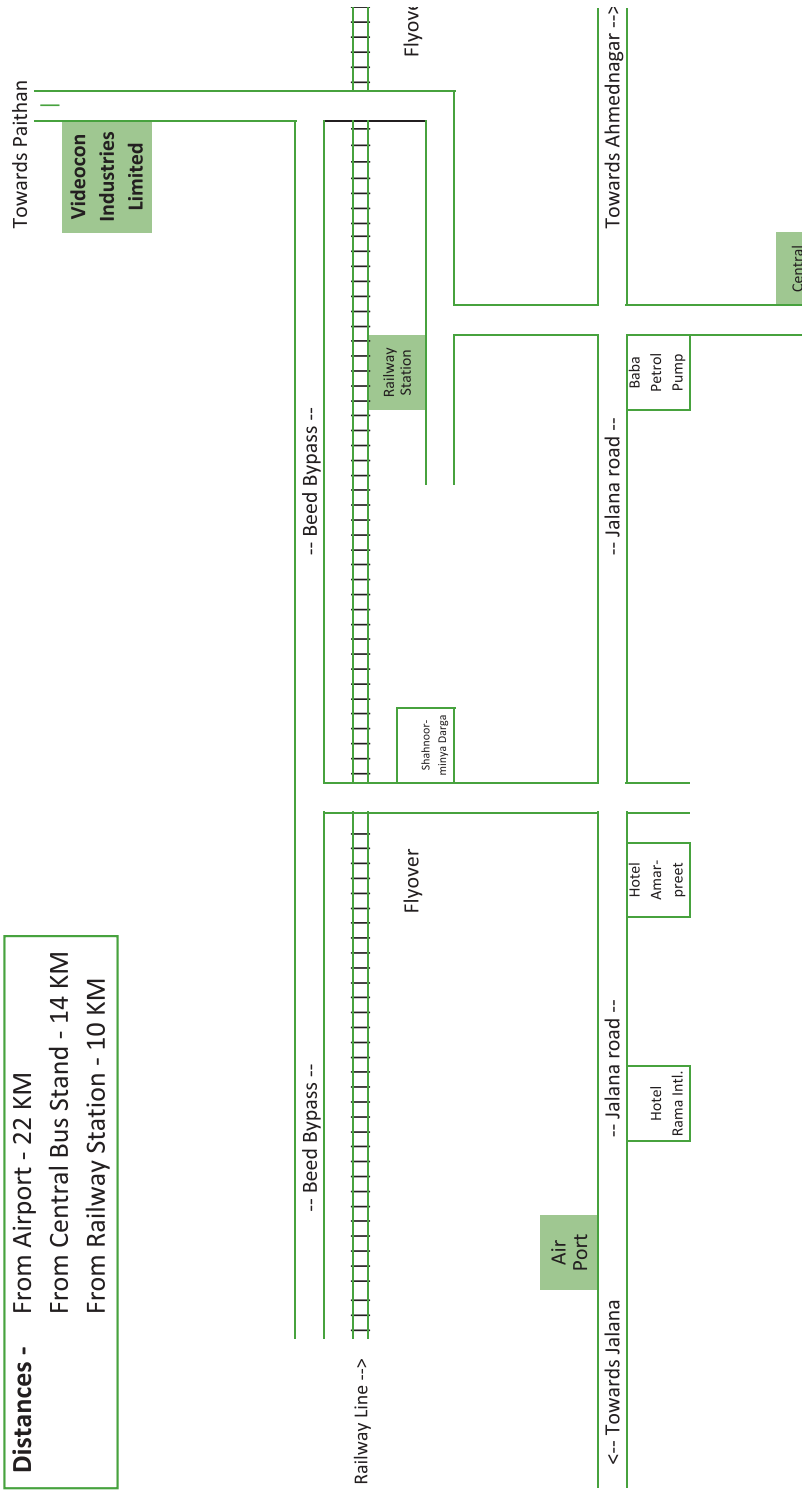
*Please read errata for typesetting matter.*





# ROUTE MAP FOR THE VENUE OF THE ANNUAL GENERAL MEETING

**Distances -**  
 From Airport - 22 KM  
 From Central Bus Stand - 14 KM  
 From 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



This Annual Report is printed on ECO-FRIENDLY Paper

**VIDEOCON INDUSTRIES LIMITED**

CIN: L99999MH1986PLC103624

Regd. Office: 14 K. M. Stone, Aurangabad-Paithan Road, Village: Chittegaon,  
Tal.: Paithan, Dist.: Aurangabad - 431 105 (Maharashtra)  
E-mail: [secretarial@videoconmail.com](mailto:secretarial@videoconmail.com); Website: [www.videoconworld.com](http://www.videoconworld.com);  
Ph. No.: 91-2431-251501/2; Fax No.: 91-2431-251551

**NOTICE OF 27<sup>th</sup> ANNUAL GENERAL MEETING, REMOTE E-VOTING INFORMATION AND BOOK CLOSURE**

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting ("AGM") of the Members of Videocon Industries Limited (the "Company") will be held on Friday, 22<sup>nd</sup> December, 2017 at 11.00 a.m., at the Registered office of the Company at 14 K. M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Tal.: Paithan, Dist.: Aurangabad - 431 105 (Maharashtra) to transact the business as set out in the Notice convening the AGM. The copies of the Notice of the AGM together with the Annual Report for the financial year ended on 31<sup>st</sup> March, 2017, have been sent by electronic mode to all the members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes. Hard copies of Annual Report will be supplied to those shareholders holding shares in electronic mode, as and when requested. For members who have not registered their e-mail addresses, physical copies of the Annual Report have been dispatched by the permitted mode. In case of non-receipt of the notice of AGM and Annual Report by any Member, a copy of the same can be obtained by writing to The Company Secretary at [secretarial@videoconmail.com](mailto:secretarial@videoconmail.com) or by downloading it from the Company's website [www.videoconworld.com](http://www.videoconworld.com). The Company has completed the dispatch of Annual Reports along with the Notice of the AGM to all the shareholders of the Company and all other persons who are entitled to receive the same through permitted mode.

Notice is further given that the Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 15<sup>th</sup> December, 2017 to Friday, 22<sup>nd</sup> December, 2017, (both days inclusive) for the purpose of the AGM.

In terms of and in compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 notice is further given that:

- The businesses set out in the notice are also being transacted through voting by electronic means (remote e-voting). For this purpose the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the shareholders to cast their votes electronically. The Members can cast their vote through remote e-voting facility provided by CDSL. 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. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again in the AGM.
- The remote e-voting shall commence on Tuesday, 19<sup>th</sup> December, 2017 at 9.00 a.m. and shall end on Thursday, 21<sup>st</sup> December, 2017 at 5.00 p.m. The remote e-voting shall not be allowed beyond the said date and time.
- The Company has fixed Friday, 15<sup>th</sup> December, 2017 as the cut-off date/ entitlement date for identifying the shareholders for determining the eligibility to vote by electronic means or in the meeting by Ballot. 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 only shall be entitled to avail the facility of remote e-voting as well as voting in the AGM.
- Any person who acquires shares and becomes member of the Company after the date of dispatch of the notice of AGM and holding shares as on the cut-off date/entitlement date i.e. Friday, 15<sup>th</sup> December, 2017, may obtain the Login ID and Password from Mr. Mandar Joshi, Company Secretary of the Company, who is responsible to address the grievances connected with facility for voting by electronic means, by sending an e-mail request to [secretarial@videoconmail.com](mailto:secretarial@videoconmail.com). Members may also call on +91 22 6611 3500 or send a request to the Company Secretary, by writing to him at The Company Secretary, Videocon Industries Limited at 171-C, 17<sup>th</sup> Floor, C Wing, Mittal Court, Nariman Point, Mumbai - 400 021.
- In case of queries, members may refer the Frequently Asked Questions ("FAQs") and e-voting manual available on [www.evotingindia.com](http://www.evotingindia.com) under help section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). Members may also send their queries relating to e-voting to Mr. Mehboob Lakhani, Asst. Manager, CDSL, 16<sup>th</sup> Floor, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001; Phone No.: 18002005533 or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

The Notice of the AGM and the Annual Report of the Company for the financial year ended on 31<sup>st</sup> March, 2017 is available on Company's website [www.videoconworld.com](http://www.videoconworld.com) and on the CDSL's website [www.cdslindia.com](http://www.cdslindia.com).

By Order of the Board of Directors of  
VIDEOCON INDUSTRIES LIMITED

Sd/-  
MANDAR JOSHI

COMPANY SECRETARY  
ACS 40533

Place: Mumbai  
Date: 03<sup>rd</sup> December, 2017

**व्हिडिओकॉन इंडस्ट्रीज लिमिटेड**

CIN: L99999MH1986PLC103624

नोंद. कार्यालय : १४ के. एम. स्टोन, औरंगाबाद - पैठण रोड, गाव : चित्तेगांव, ता. : पैठण,  
जि. : औरंगाबाद - ४३१ १०५ (महाराष्ट्र)  
ई-मेल : [secretarial@videoconmail.com](mailto:secretarial@videoconmail.com); वेबसाईट : [www.videoconworld.com](http://www.videoconworld.com);  
दूर. क्र. ९१-२४३१-२५१५०१/२ फॅक्स क्र. ९१-२४३१-२५१५५१

**२७ व्या वार्षिक सर्वसाधारण सभेची, रिमोट ई-मतदान माहिती व बुक क्लोजर संबंधी सूचना**

या सूचनाद्वारे सूचित करण्यात येते की, व्हिडिओकॉन इंडस्ट्रीज लिमिटेड ( कंपनी ) च्या सभासदांची २७ वी वार्षिक सर्वसाधारण सभा ( एजीएम ), शुक्रवार दिनांक २२ डिसेंबर, २०१७ रोजी, सकाळी ११.०० वाजता, कंपनीचे नोंदणीकृत कार्यालय १४ के. एम. स्टोन, औरंगाबाद - पैठण रोड, गाव : चित्तेगांव, ता. : पैठण जि. : औरंगाबाद ४३११०५ ( महाराष्ट्र ) येथे सभेच्या सूचनेमध्ये नमूद केलेल्या साधारण व विशेष कामकाजासाठी आयोजित करण्यात आली आहे. एजीएमच्या सूचनेच्या प्रती आणि ३१ मार्च, २०१७ रोजी संपलेल्या वार्षिक वर्षाच्या अहवालाच्या प्रती इलेक्ट्रॉनिक माध्यमाच्या द्वारे ज्या सभासदांनी त्यांचे इमेल पत्ते कंपनीकडे/ सहभागी जमाकर्ते कडे नोंदविले आहेत त्यांनाच ह्या इलेक्ट्रॉनिक माध्यमाद्वारे पाठविण्यात आल्या आहेत. वार्षिक अहवालाच्या छापिल प्रती समभागधारकांचे भाग इलेक्ट्रॉनिक पद्धतीमध्ये आहेत अशांना त्यांच्या विनंतीनुसार देण्यात येतील. ज्या सभासदांनी त्यांचे इमेल पत्ते नोंद केले नसतील त्यांना वार्षिक अहवालाच्या छापिल प्रती पुर्वनिश्चित माध्यमातून पाठविण्यात आल्या आहेत. सभासदांना वार्षिक सर्वसाधारण सभेच्या सूचनेची व वार्षिक अहवालाची प्रत मिळाली नसल्यास त्यांनी कंपनीचे कंपनी सचिव यांना [secretarial@videoconmail.com](mailto:secretarial@videoconmail.com) या ईमेल पत्त्यावर मेल पाठवावी अथवा कंपनीची वेबसाईट [www.videoconworld.com](http://www.videoconworld.com) येथून मिळवावी.

पुढे सूचित करण्यात येते की, कंपनीची सभासद नोंदणी पुस्तिका व समभाग हस्तांतरण पुस्तिका २७ व्या वार्षिक सर्वसाधारण सभेसाठी शुक्रवार दिनांक १५ डिसेंबर, २०१७ ते शुक्रवार २२ डिसेंबर २०१७ ( दोन्ही दिवस सामाविष्ट ) बंद ठेवण्यात येतील.

कंपनी कायदा २०१३ चे कलम १०८ तसेच कंपनी ( व्यवस्थापन आणि प्रशासन ) नियम २०१४, कंपनी ( व्यवस्थापन आणि प्रशासन ) दुरुस्ती नियम २०१५ आणि सेबी ( लिस्टिंग ऑब्जेक्शन आणि डिस्क्लोजर रिक्वायर्मेंट ) नियम, २०१५ चा नियम ४४ नुसार असे सूचित करण्यात येते कि:

- वार्षिक सर्वसाधारण सभेच्या सूचनेमध्ये नमूद केलेल्या सर्व कामकाजासाठी मतदान रिमोट ई-मतदान पद्धतीने करण्यात येतील. त्यासाठी कंपनीने सेंट्रल डिपॉझिटरी सर्व्हिसेस ( इंडिया ) लिमिटेड ( सीडीएसएल ) यांच्याशी रिमोट ई-मतदान सुविधा पुरविण्यासाठी करार केला आहे. सभासद सीडीएसएल ने पुरविलेल्या रिमोट ई-मतदान माध्यमाद्वारे मतदान हक्क बजाऊ शकतात. जे मतदार इलेक्ट्रॉनिक माध्यमाद्वारे मतदान करणार नाहीत त्यांच्यासाठी कंपनीने वार्षिक सर्वसाधारण सभेमध्ये गुप्त मतदान पद्धतीने आपले मतदान करण्याची सुविधा उपलब्ध केली आहे. रिमोट ई-मतदान पद्धतीने मतदान हक्क बजावलेले सभासद एजीएम मध्ये उपस्थित राहू शकतात, परंतु त्यांना एजीएम मध्ये गुप्त मतदान पद्धतीने मतदान करता येणार नाही.
- रिमोट ई-मतदान सुविधा मंगळवार दि. १९ डिसेंबर, २०१७ रोजी सकाळी ९.०० वाजता सुरु होऊन, गुरुवार दि. २१ डिसेंबर, २०१७ रोजी संध्याकाळी ५.०० वाजेपर्यंत उपलब्ध राहील. त्या नंतर रिमोट ई-मतदान सुविधा पुरविण्यात येणार नाही.
- रिमोट ई-मतदान सुविधा व वार्षिक सर्वसाधारण सभेत गुप्त मतदान करण्याचा अधिकार असलेले सभासद टरविण्यासाठी कंपनीने शुक्रवार दि. १५ डिसेंबर, २०१७ हा दिवस निश्चित केला आहे ( कट ऑफ डेट / एन्टायलमेंट डेट ). शुक्रवार दि. १५ डिसेंबर, २०१७ रोजी ज्या कोणाचे नाव कंपनीचे सभासद नोंदणी पुस्तिके मध्ये नोंद केले असेल अथवा ज्यांचे नाव सहभागी जमाकर्ते यांचे कडे नोंदविले असेल असे सर्व समभाग धारक इलेक्ट्रॉनिक माध्यमाद्वारे अथवा एजीएम मध्ये मतदानात सहभागी होऊ शकतील.
- जी कोणी व्यक्ती एजीएम नोंदीस पाठविल्यानंतर कंपनीचे समभाग खरेदी करून कंपनीचे सभासद बनेल व जे सदर समभाग कट ऑफ डेट / एन्टायलमेंट डेट ( जी को शुक्रवार दि. १५ डिसेंबर, २०१७ टरविण्यात आली आहे ) रोजी धारण करून असतील असे पात्र समभाग धारक इलेक्ट्रॉनिक माध्यमाने मतदान करण्यासाठी आवश्यक तपशील कंपनीचे सचिव श्री. मंदार जोशी, को जे इलेक्ट्रॉनिक मतदान पद्धतीद्वारे मतदान संदर्भातील अडचणी दूर करण्यास नियुक्त केले आहेत, यांचेकडून [secretarial@videoconmail.com](mailto:secretarial@videoconmail.com) या ई-मेल पत्त्यावर ई-मेल पाठवून मागवू शकतात. अथवा ९१-२२-६६११ ३५०० या दूरध्वनी क्रमांकावर दूरध्वनी करून मिळवू शकतात अथवा कंपनीचे कार्यालय, व्हिडिओकॉन इंडस्ट्रीज लिमिटेड, १७१-सी, १७ वा मजला, सी वींग, मितल कोर्ट, नरिमन पॉइंट, मुंबई - ४०० ०२१ या पत्त्यावर विनंती पाठवू शकतात.
- रिमोट ई-मतदाना संदर्भात कोणतीही शंका असल्यास समभागधारकांनी कृपया (FAQ) Frequently Asked Questions आणि रिमोट ई-मतदानाची तपशीलावर माहिती ही [www.evotingindia.com](http://www.evotingindia.com) येथे मदत विभागाच्या सहाय्याने पहावी अथवा [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) या ई-मेल पत्त्यावर मेल करून मागवावी. रिमोट ई-मतदाना संदर्भात कुठलीही शंका असल्यास समभागधारकांनी श्री मेहबूब लखानी, सहाय्यक व्यवस्थापक, सिडीएसएल, १६वा मजला, पी.जे. टॉवर, दलाल स्ट्रीट, फोर्ट, मुंबई - ४०० ००१, दूरध्वनी क्रमांक : १८००२००५५३३ अथवा ई-मेल [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) वर संपर्क साधावा.

एजीएम ची सूचना आणि ३१ मार्च, २०१७ चा वार्षिक अहवाल हे दोन्ही कंपनी च्या वेबसाईट वर [www.videoconworld.com](http://www.videoconworld.com) आणि CDSL च्या वेबसाईट वर [www.cdslindia.com](http://www.cdslindia.com) येथे उपलब्ध आहे.

संचालक मंडळाच्या आदेशानुसार  
व्हिडिओकॉन इंडस्ट्रीज लिमिटेड करिता

सही/ -

मंदार जोशी

कंपनी सचिव

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