VIDEOCON INDUSTRIES LIMITED
ANNUAL REPORT 2013

VIDEOCON

VIDEOCON INDUSTRIES LIMITED

BOARD OF DIRECTORS

Venugopal N. Dhoot	Chairman & Managing Director
S. Padmanabhan	Independent Director
Maj Gen. S. C. N. Jatar	Independent Director
Radhey Shyam Agarwal	Independent Director
Anil G. Joshi	Independent Director
B. Ravindranath	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

Vinod Kumar Bohra

REGISTERED OFFICE

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

MANUFACTURING FACILITIES

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

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

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

BANKERS

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

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NOTICE

NOTICE is hereby given that the Twenty-Fourth Annual General Meeting of the Members of **VIDEOCON INDUSTRIES LIMITED** (the "Company") will be held on Saturday, 28th December, 2013 at the Registered Office of the Company at 14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka: Paithan, Dist.: Aurangabad - 431 105 (Maharashtra) at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the period ended 30th June, 2013 and the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on preference shares.
3. To declare dividend on equity shares held by Non-Promoter Shareholders (Public Shareholders).
4. To appoint a director in place of Mr. Anil G. Joshi, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a director in place of Mr. S. Padmanabhan, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** M/s. Khandelwal Jain & Co., Chartered Accountants, (Firm Registration No. 105049W) and M/s. Kadam & Co., Chartered Accountants, (Firm Registration No. 104524W) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 , (including any amendment thereto or re-enactment thereof), the Foreign Exchange Management Act, 1999, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the notifications issued by the Reserve Bank of India ("RBI") and other applicable laws, listing agreements entered into by the Company with the stock exchanges where the 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, Reserve Bank of India, Securities and Exchange Board of India ("SEBI") and all other concerned authorities (hereinafter singly or collectively referred to as the "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 (herein after 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 authorised to accept, if it thinks fit in the interest of the Company, the consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot equity shares and/or other equity linked or convertible financial instruments ("OFIs") in one or more tranches, whether denominated in Indian rupee or foreign currency(ies), in the course of international and/or domestic offering(s) in one or more foreign market(s), for an amount not exceeding ₹ 5,000 Crores (Rupees Five Thousand Crores Only) or its equivalent 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 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")/Mutual Funds/Pension 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, 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 the Relevant Date for determining the pricing of the Securities or issue of Equity Shares underlying the GDRs/ADRs or securities issued on conversion of FCCBs is the date of the meeting in which the Board decides to open the proposed issue or such date, if any, as may be notified by SEBI or the RBI or any Appropriate Authority from time to time.

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

RESOLVED FURTHER THAT the Board be and is hereby authorised 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 ranking *pari-passu* with the existing fully paid equity shares of the Company in all respects except provided otherwise under the terms of issue and in the offer document.

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

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorised on behalf of the Company to agree to and make and accept such conditions, modifications and alterations stipulated by any of the relevant authorities while according approvals, consents or permissions to the issue as may be considered necessary, proper and expedient and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing, depository and custodian arrangements and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue(s)/ offer(s) or allotment(s) or otherwise and utilization of the issue proceeds and/ or otherwise to alter or modify the terms of issue, if any, as it may in its absolute discretion deem fit and proper without being required to seek any further consent or approval of the Company to the end and intent that the Company shall be deemed to have given its approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised 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."

By order of the Board of Directors of
VIDEOCON INDUSTRIES LIMITED

Place: Mumbai — **VINOD KUMAR BOHRA**
Date : 29th November, 2013 — **COMPANY SECRETARY**

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

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE 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) AS PER THE COMPANIES ACT, 2013.**

2. In terms of Section 102 of the Companies Act, 2013, a statement setting out the material facts concerning special business to be transacted at the Meeting is annexed and forms part of this Notice.

3. 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.

4. In terms of the provisions of Section 255, 256 of the Companies Act, 1956 and the provisions of the Articles of Association of the Company, Mr. Anil G. Joshi and Mr. S. Padmanabhan, Directors of the Company, are liable to retire by rotation at the ensuing Meeting. Being eligible, Mr. Anil G. Joshi and Mr. S. Padmanabhan, have offered themselves for re-appointment. A brief profile of the Directors seeking re-appointment; nature of their expertise in specific functional area; names of the other public limited companies in which they hold directorship and membership/chairmanship of the Committees of the Board of Directors and particulars of their shareholding, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India is appended to the notice. The Board of Directors of your Company recommend re-appointment of Mr. Anil G. Joshi and Mr. S. Padmanabhan, as the Directors of the Company.

5. 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.

6. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number on the attendance slip for attending the Meeting.

7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names shall be entitled to vote.

8. The Register of Members and Share Transfer Books shall remain closed from Monday, 16th December, 2013 to Saturday, 28th December, 2013 (both days inclusive) for the purpose of the Meeting and for determining shareholders' entitlement for dividend.

9. The Dividend, as recommended by the Board of Directors, if declared at the Meeting, will be paid on or around Thursday, 2nd January, 2014, to those Members who hold shares in physical form and whose names appear in the Company's Register of Members on Monday, 16th December, 2013. As regards shares held in the electronic form, the dividend will be paid to those beneficial owners of the shares as at the close of business hours on Saturday, 14th December, 2013, as per the particulars of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

10. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the Company has transferred the unclaimed dividend for the financial year 2004-2005 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 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.

11. 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 Limited, Registrar and Share Transfer Agent of the Company, for consolidation into a single folio.

12. 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.

13. Non-Resident Indian Members are requested to inform M/s. MCS 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.

14. 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.

15. The 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.

16. Members desiring any information as regards to the Accounts are requested to write to the Company at an early date so as to enable the Management to reply at the Meeting.

17. Members may address their queries/communications at secretarial@videoconmail.com.

18. Members are requested to kindly bring their copy of the Annual Report to the Meeting.

By order of the Board of Directors of
VIDEOCON INDUSTRIES LIMITED

Place: Mumbai
Date : 29th November, 2013

VINOD KUMAR BOHRA
COMPANY SECRETARY

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

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

Item No. 7:

The Company is evaluating different proposals to mobilize the funds, as and when required including by way of issue of debt instrument and instruments convertible into equity shares. The Company may, at an appropriate time, decide to augment its capital base. Accordingly, it is proposed to seek shareholders' 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.

In terms of Section 81(1) of the Companies Act, 1956, in the event of a Public Company proposing to increase its subscribed capital by way of allotment of further shares in the circumstances specified therein, it is required to offer such further shares to its existing equity shareholders in the proportion of their respective equity shareholdings in the Company. Pursuant to Section 81(1A) of the Companies Act, 1956, a Public Company may offer its shares in any manner whatsoever to persons other than those mentioned in Section 81(1) of the Companies Act, 1956, if a special resolution to that effect is passed.

The Board recommends the resolution set out at Item No. 7 of the notice for your approval. None of the Directors and other Key Managerial Personnel of the Company and their relatives, are in any way, concerned or interested in the said resolution.

By order of the Board of Directors of
VIDEOCON INDUSTRIES LIMITED

Place: Mumbai
Date : 29th November, 2013

VINOD KUMAR BOHRA
COMPANY SECRETARY

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

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

Sr. No.	Particulars	Profile of the Director	
1.	Name of the Director	Mr. Anil G. Joshi	Mr. S. Padmanabhan
2.	Date of Birth	17th December, 1943	1st September, 1939
3.	Education Qualification	M.Sc. Physics/Electronics, P.G. Diploma – Business Management, C.A.I.I.B (Part I)	IAS B.Sc. Physics (Honors), M.Sc. Physics, Bachelor of General Law, Diploma in Developmental Economics- University of Cambridge, Diploma in Management.
4.	Date of appointment on the Board	29th June, 2011	1st June, 2005
5.	Category of the Director	Non Executive- Independent Director	Non Executive- Independent Director
6.	Area of Expertise/Senior Position Held/ Work Experience	He has over 36 years of experience and has worked with the Bank of Maharashtra. He was an Executive Director of Indian Bank and retired as the Chairman and Managing Director of Dena Bank.	Ex. IAS. In the past, he has held various prominent positions with Government Authorities *inter-alia* including following positions: • Director-Department of Atomic Energy, Government of India, dealing with projects, power projects, Nuclear Power Stations, Purchase, Budget, Administration, Vigilance. • Managing Director- The State Industrial & Investment Corporation of Maharashtra Ltd. Apart from the above, he has been in this industry for more than 22 years as advisor and consultants to various corporates.
7.	Names of other directorships in Public Limited Companies in which the Director holds directorship	• Phadnis Resorts & Spa India Ltd • Aplab Ltd • Unity Infra Projects Ltd • Tarmat Ltd • GDA Trusteeship Ltd	• Videocon Power Ltd • Videocon Energy Holdings Ltd • Desai Brothers Ltd • Sudarshan Chemical Industries Ltd • Premier Ltd • Rajkumar Forge Ltd • Sanghvi Movers Ltd • Force Motors Ltd • Pipavav Energy P. Ltd • Chhattisgarh Power Ventures P. Ltd
8.	Names of the other Committees in which Chairman	• Aplab Ltd (Audit) • Unity Infra Projects Ltd (Audit) • Tarmat Ltd (Audit)	Nil
9.	Names of the other Committees in which Member	• Aplab Ltd (Shareholders' / Investors' Grievance) • Tarmat Ltd (Shareholders' / Investors' Grievance) • Phadnis Resorts and Spa India Ltd. (Audit, Shareholders' / Investors' Grievance)	• Videocon Power Ltd (Audit) • Premier Ltd (Audit) • Sanghvi Movers Ltd (Audit) • Force Motors Ltd (Audit) • Pipavav Energy P. Ltd (Audit)
10.	Number of Shares Held	Nil	Nil

DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the Twenty-Fourth Annual Report together with the Audited Accounts and Auditors' Report for the financial period ended on 30th June, 2013.

PERFORMANCE REVIEW

The performance of the Company, on standalone basis, for the financial period ended on 30th June, 2013, is summarized below:

(₹ in Million)

Particulars	Period Ended 30th June, 2013 (18 months)	Year Ended 31st December, 2011 (12 months)
Net Revenue from Operations	**181,572.75**	126,502.22
Other Income	**4,182.66**	1,063.12
Total Income	**185,755.41**	127,565.34
Profit Before Finance Costs, Depreciation and Tax	**34,246.52**	23,587.25
Finance Costs	**27,148.18**	9,777.89
Depreciation and Amortization	**8,243.50**	6,075.64
Profit /(Loss) Before Tax	**(1,145.16)**	7,733.72
Taxation Expenses	**(428.84)**	2,334.61
Profit /(Loss) for the Period	**(716.32)**	5,399.11

The financial year of the Company was extended by a period of 6 months. The financial year under review accordingly comprises of a period of 18 months commencing from 1st January, 2012 to 30th June, 2013. The figures for the current period are for 18 months as against 12 months in the previous year and hence, are not comparable.

OPERATIONS

CONSUMER ELECTRONICS & HOME APPLIANCES:

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

OIL & GAS:

During the period under review, the wholly owned Mauritius based subsidiary named Videocon Mauritius Energy Limited has on 25th June, 2013 executed at Singapore, a Share Sale & Purchase Agreement with ONGC Videsh Limited and Oil India Limited for sale of its 100% stake in Videocon Mozambique Rovuma 1 Limited ("VMRL") for a consideration of US$ 2.475 billion. VMRL holds 10% participating interest in the offshore Area 1 Block in Rovuma Basin in Mozambique (the "Offshore Area 1"), which has series of sizable natural gas discoveries. However, the financial results of the Company for the period do not include any revenue in respect of the same as the said transaction has not been yet consummated.

The Company continues to explore more opportunities in oil and gas sector in pursuance to its corporate objective and strategy to remain actively involved in E&P activities worldwide. The various discoveries and explorations made by the Company and through its wholly owned subsidiaries and/or joint ventures during the period under review have further added to the hydrocarbon resources already established in these Blocks.

BRAZIL

During the period under review, Petroleo Brasileiro SA, the Operator for Sergipe, Espirito Santos and Potiguar concessions, announced various discoveries in these Concessions. These discoveries and explorations further establishes and increases the prospectivity of various basins in which IBV Brasil Petroleo Limitada, a 50:50 joint venture of the Company, through its wholly owned subsidiary Videocon Energy Brazil Limited, with BPRL Ventures B.V., have concessions, adding to the discoveries already established. This further underlines our efforts in Brazil.

During the period under review, the exploration program in ES-M-661 block, BM-ES-24-A concession, in the Espirito Santo Basin, offshore Brazil was successfully completed. Exploration Well 1-ESS-209, known as "Grana Padano" was successfully drilled upto a depth of 2961 meters, in a water depth of 1208 meters by the consortium. Further, drilling of the second well in the area of Barra in the deep waters of the Sergipe-Alagoas Basin was also completed.

During the period under review, the existence of light hydrocarbons in the concession BM-SEAL-11, in ultradeep waters of the Sergipe-Alagoas basin offshore was discovered. This discovery was made during drilling of well 1-BRSA-1083-SES (1-SES-167) informally known as 'Farfan', situated in a water depth of 2720m, located 109 km from the city of Aracaju, located in ultra deep waters of Sergipe Alagoas Basin. The well proved presence of sandstone reservoirs saturated with light hydrocarbons in the Maastrichtian and Campanian sections with gross pay thickness of 98m in intervals of 4578m to 4605m (net pay of 17 m) and 5321 to 5365m (net pay of 24m) respectively.

After the Balance Sheet date:

Petroleo Brasileiro SA ("Petrobras"), the Operator, confirmed the existence of light hydrocarbons in the Appraisal Well currently drilled in the 'Farfan Discovery Area', in Concession BM-SEAL-11, in ultradeep waters of the Sergipe-Alagoas basin Offshore. Further, formation test in Well (3-SES-176D) informally known as Farfan#1, the first to evaluate the production capacity of the accumulation located in the concession area BM-SEAL-11, Block SEAL-M-426 in ultra deep waters of the Sergipe-Alagoas basin offshore was completed. Petrobras further confirmed that the test evaluated 30 meters of turbidite sandstones formation and confirmed good reservoir characteristics featuring excellent productivity of good quality oil.

Further, the Wahoo-5 appraisal well in BM-C-30 Concession, wherein Anadarko Petroleum Corporation, USA, through its Brazilian subsidiary, is acting as the Operator, drilled in the eastern flank of the Wahoo structure and encountered more than 200 net feet of high-quality pay in a pre-salt reservoir, with a total hydrocarbon column now established at 460 feet. The drilling result of the well has proved beyond doubt the extent of the Upper Sag pay towards the NE of the Wahoo main structure. During drilling, oil and gas shows have been reported within the Coquina section, below the upper sag.

MOZAMBIQUE

During the period under review, Anadarko Petroleum Corporation, USA ("Anadarko") announced its seventh well in the discovery area offshore Mozambique successfully appraised previous discoveries at Lagosta and Camarao. The Lagosta-2 appraisal well, located about 4.4 miles north of the Lagosta discovery and 5.3 miles south of the Camarao well, encountered 777 total net feet (237 meters) of natural gas pay in multiple zones.

Further, Anadarko also announced the results of its first flow test offshore Mozambique. The Barquentine-2 well flowed at an equipment-constrained rate of 90 to 100 million cubic feet of gas per day (MMcf/d), with minimal pressure drawdown, providing confidence in well designs that are capable of 100 to 200 MMcf/d.

During the period under review, Barquentine-4 well encountered approximately 160 net meters of natural gas pay. The Barquentine-4 well is the ninth successful well in the complex that includes the earlier Windjammer, Barquentine, Lagosta and Camarao discoveries and the five subsequent appraisal wells in the block.

During the period under review, the Golfinho exploration well discovered a new, major natural gas accumulation nearly 20 miles northwest of its Prosperidade complex within the Offshore Area 1 of the Rovuma Basin. The Golfinho discovery well encountered more than 193 net feet (59 net meters) of natural gas pay in two high-quality Oligocene fan system. Further, the Atum exploration well discovered another significant natural gas accumulation within the Offshore Area 1 of the Rovuma Basin. The Atum discovery well encountered more than 300 net feet (92 meters) of natural gas pay in two high-quality Oligocene fan systems. Similarly, The Orca-1 discovery well encountered approximately 190 net feet (58 meters) of natural gas pay in a Paleocene fan system.

After the Balance Sheet date:

Espadarte Well encountered approximately 280 net feet of natural gas pay in Oligocene and Miocene sands.

Also, Golfinho-5 and Golfinho-6 wells drilled in Mozambique during the third quarter 2013, encountered approximately 330 net feet and approximately 240 net feet pay of natural gas pay, respectively.

TELECOM:

Videocon Telecommunications Limited (VTL), a subsidiary of the Company had been awarded licenses by the Department of Telecommunications ("DoT") to provide Unified Access Services ("UAS") in 21 telecom circles in India with effect from 25th January, 2008 which were valid for a period of 20 years. VTL had also been allocated spectrum in 20 circles and had launched its commercial operations in 17 circles.

The Hon'ble Supreme Court of India, vide its order and judgment dated 2nd February, 2012 ("Judgment") in two separate writ petitions, quashed the UAS licenses granted on or after 10th January, 2008 pursuant to two press releases issued on 10th January, 2008 and the subsequent allocation of spectrum to licensees which included the 21 UAS licenses issued and allocation of spectrum to VTL. The Hon'ble Supreme Court of India's judgment reasoned that the allocation of 2G spectrum pursuant to the UAS License was unconstitutional and arbitrary. The order quashing the UAS licenses and the allocation of spectrum was to be operative after four months from the date of the Judgment. By subsequent orders dated 24th April, 2012 and 27th August, 2012, the Hon'ble Supreme Court directed that the licensees whose licenses had been cancelled were to continue their operations until 18th January 2013. This order was modified by a subsequent order dated 15th February 2013, whereby it was directed that the licensees have to stop operations with immediate effect.

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 (bearing file no. 3-16/2012- Fin./Auction) dated 28th September, 2012 for auction of spectrum in 1800 MHz and 800 MHz bands.

VTL participated in the aforesaid auction and was declared as a successful bidder of spectrum in six circles in 1800 MHz, namely, Bihar, Gujarat, Haryana, Madhya Pradesh, Uttar Pradesh (East) and Uttar Pradesh (West). On 3rd March, 2013, VTL was awarded the Unified Licenses (Access Services) for these six circles with effect from 16th February, 2013 which are valid for a period of 20 years. VTL has also been allotted 5Mhz spectrum in 1800Mhz category in each of these 6 circles out of which, VTL is already providing its commercial services in 3 circles i.e. Gujarat, Haryana and Madhya Pradesh.

By the order dated 15th February, 2013, the Hon'ble Supreme Court of India has, inter-alia, held that the successful applicants in the auction should be allowed to operate in those circles in which they have been successful. VTL is continuing its commercial operations in 3 circles viz. Gujarat, Haryana and Madhya Pradesh. VTL shall be launching, subject to receipt of the necessary approvals from DoT, its commercial operations in remaining 3 circles viz. Bihar, Uttar Pradesh (East) and Uttar Pradesh (West) shortly.

POWER:

5.75 MWp Solar Photovoltaic Power Project commissioned by the Company in October, 2011 at Village: Majra, Taluka: Warora, Dist.: Chandrapur, Maharashtra; 5.75 MWp Solar Photovoltaic Power Project commissioned by Comet Power Private Limited, a step down subsidiary of the Company; and 5.50 MWp Solar Photovoltaic Power Project commissioned by Unity Power Private Limited, a step down subsidiary of the Company; are operating at full capacities and are generating electricity.

There are two 1,200 MW coal-fired thermal electricity power projects which are under development. These projects are being undertaken by Pipavav Energy Private Limited and Chhattisgarh Power Ventures Private Limited, the subsidiaries of the Company in the state of Gujarat and Chhattisgarh respectively.

INSURANCE:

Your Company has entered into a joint venture with USA headquatered global insurance company, Liberty Mutual Insurance Group to setup a non-life insurance business in India. As per prevailing FDI Guidelines for the Insurance sector in India, Liberty

Mutual Insurance Group will for the present hold a maximum of 26.0% of the equity interest in the new joint venture and our Company will hold a minimum of 74.0%. The Joint Venture Company, Liberty Videocon General Insurance Company Limited, has received the Certificate of Registration to operate as a General Insurance Company from the Insurance Regulatory and Development Authority (IRDA), under Section 3 of the Insurance Act, 1938, in July, 2012.

Currently, our Company is holding 77.90% equity stake in the Joint Venture Company.

Post receipt of the necessary license from IRDA to commence its operations and after the requisite set up of manpower, technology, distribution arrangements & product approvals from IRDA, the Joint Venture Company has launched the Non-Life Insurance business in India in January, 2013. It has now commenced business operations from 8 branches across India and plans to expand its product suite and geographical presence nationally.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 2/- (Rupees Two only) per equity share, to the Non-Promoter Shareholders (Public Shareholders).

The dividend, if approved, by the shareholders, will entail a payout of ₹ 232.55 Million including dividend distribution tax of ₹ 33.78 Million.

Your Directors recommend 8% dividend on the preference shares for the period ended 30th June, 2013.

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

TRANSFER TO RESERVES

Your Directors propose to transfer ₹ 300.00 Million to the General Reserve, ₹ 155.96 Million to Capital Redemption Reserve and ₹ 1,909.34 Million to Bond/Debenture Redemption Reserve.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company has transferred a sum of ₹ 15.39 Million in respect of unpaid /unclaimed dividend for the Financial Year 2004-05 to the Investor Education And Protection Fund.

ISSUES/ALLOTMENT

During the period under review, the Company has allotted 15,750,000 equity shares of face value of ₹10/- each, represented by the issue of 15,750,000 Global Depository Receipts at a price of US$ 3.2395 per GDR, equivalent to ₹ 174/- per equity share, aggregating to US$ 51.02 Million to LLIC S.a.r.l., on a private placement basis.

FIXED DEPOSITS

Your Company has not accepted any Fixed Deposit within the meaning of Section 58A of the Companies Act, 1956 and as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

PERSONNEL

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

CONSERVATION OF ENERGY

Sustainable development is an integral part what your Company does. Your Company's commitment to sustainable development is reflected in its ambitious targets to reduce consumption footprints in energy, water and waste. Your Company has shifted energy management parameters from the 'can do' alternative to the 'must do'. It strives to conserve energy on a perpetual basis in order to meet the future demands.

Your Company is striving continuously to conserve energy by adopting innovative measures to reduce wastage and optimize consumption. Some of the specific measures undertaken are:

- Mutual utilization of energy among adjacent factories and workplaces/inter-industry collaboration;
- Development of practical application of technologies to rationalize energy utilization;
- Lighting energy savers have been installed at various units which have led to significant savings in power usage;
- Installation of astronomical digital timers, occupancy sensors for better lighting control;
- Use of natural air ventilators which does not consume power;
- Induction of Energy Audit at the manufacturing facilities;
- Rain water harvesting to reduce water consumption at factory;
- Installation of Energy Efficient Motors at all the manufacturing units;
- Introduction of additional machinery with improved technology which results in reducing the cycle time and power saving;
- Increased awareness among the employees through visual management;
- Conducting energy saving training sessions;
- Replacement of pneumatic tools by energy efficient electrical tools and converted continuous power to intermittent power consumption; and
- Use of hi-tech energy monitoring appliances and conservation systems to monitor usage, minimize wastage and increase overall efficiency at every stage of power consumption.

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 was conferred with the prestigious National Energy Conservation Award for 2011 by the Bureau of Energy Efficiency (BEE), a part of the Central Electricity Authority, Ministry of Power, Government of India.*
- *Your Company has been awarded the first prize in the Manufacturers of BEE Star Labeled Appliances (Refrigerator) sector for strict adherence to the BEE standards set up by the Bureau of Energy Efficiency. The Award for 2011 was given by honorable Union Minister for Power.*

RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

Research & Development (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.

"Research" aims to generate knowledge in the hope that it will help create or improve a product, process or service. "Development" converts research findings or other knowledge into a new or improved product, process or service.

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.

R & D allows your Company to participate in new markets and industries and offer their customers new or improved products, processes and services.

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:

- Development and production of Digital Direct Broadcast (DDB) technology in India with a broader convergence of TV, D2H, Internet and Cloud Computing.
- DDB TV with single chip solution with built in DTH facility having MPEG4 DVB-S2 digital signal. Customer can enjoy the unmatched picture & audio quality of LCD/LED TV. This product has various features such as Dual Core Processor, 14-Bit Video Processor, Faroudja Video and Audit Optimization, 10-Band Graphics Equalizer, STRATA certified audio, Flicker Free 3D, 2D to 3D conversion, Internet etc.
- The large screen LED TVs i.e. 80", 65", 58", 55" LED TVs have been launched with the incredible DDB Technology.
- 58" cinema scope TV having an aspect ratio of 21:9 which is altogether a different segment than the conventional LED TVs. It enables users to experience a theatre like environment at home.
- Your Company has set a platform for "Internet TV" based on Android Operating System having DTH facility. This advancement completes the need of today with digital signal reception and internet accessibility. This platform gives freedom for live chatting, video conferencing, browsing, email accessing etc.
- PIXUS LED is again advancement in display technology which has direct LEDs in it instead of complete display unit. This integrated module is a revolutionary product which has more colours, vivid pictures and better viewing angle. The in-house designed audio system "BOOM BOX" adds much value to this TV.
- Metallica Series: As aesthetical advancement in display technology, the real metal finish LED has altogether a sophisticated look with advance TV algorithms for vivid picture and sound. The lustrous look and slim design has made them pioneers in market.
- Introduction of Digi Gracia Series of 6.5kg, 6.0kg, 5.5kg FA Washing Machines with 10 Wash Programs, 10 Water levels, rinse hold feature resulting in less water consumption.
- Introduction of Digi Rio series of 6.5kg FA Machines with 8 Wash Programs, 8 Water levels, Child lock feature and Special Air Dry feature.
- Introduced Digi Pearl series of 6.5kg FA Machines with 10 Wash Programs, 10 Water levels, Air Dry features, Eco wash program.
- Introduction of designer series in Semi Auto and Fully automatic washing machines with blazing colour in the Semi auto & fully auto category.
- Introduced India's first 9 Wash and 9 Spin Program in Semi-Automatic Washing Machine.
- Introduced India's first 4 Wash Program Semi-Automatic Washing Machine.
- Introduced various Air Conditioners with various features viz, auto clean function, introduction of PFC or MC condenser, Vita Air Technology, Vitamin C Filters, Gold and Blue Fin evaporator etc.
- Launched various models of refrigerators with smart features such as digital sensor, electronic display control, new looks etc.

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:

- Introducing new technology called 4K2K or Ultra HD TV. 4K2K in short is 4 times High Definition pixel image and the term 4K refers to the horizontal resolution of formats which are all on the order 4,000 pixels;
- Increase in the market share and enhance the Brand Value; and
- Bring in best features of various products together.

During the period under review, the Company has incurred ₹ 155.46 Million, representing 0.08% of the turnover towards recurring R & D expenses.

HEALTH & SAFETY

Safety is an area of paramount importance in your 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. Your Company continues to exhibit a robust assurance towards Safety, Health and Environment during the period under review. Some of the initiatives, measures taken by your Company for building healthy work culture are:

- Recognition of its human capital by opting for life insurance cover, medical and other welfare covers for the employees that it has purchased to protect its employees against various risks – those of health, disability, accident etc;
- Use of guards and engineering solutions wherever possible instead of relying on PPE (Personal Protective Equipments);
- Provision of health and medical services to all the employees at all levels through well- equipped health centers located at all manufacturing plants;
- Implementation of Human Injury Reporting System to report all types of human injury and to find out the root cause;
- Introduction of new materials and equipments to eliminate various hazards at workplace;
- Regular counseling and medical checkups to ensure fitness of its employees;
- Arranging different seminars and events at workplace to create awareness among the employees for hygiene and cleanliness;
- Displaying of notices and information on the Notice Boards at all work stations for information and awareness of employees;
- Introduction of Basic First Aid Course and demonstration of Fire Extinguisher Courses conducted for the employees and security guards;
- Installation of fire blankets at security check point for every department;
- Provision of emergency exit door on all shop floor areas so as to reach safe assembly points in case of emergency;
- Provision of such information, instruction, training and supervision as necessary to ensure the health and safety of all workers at work;
- 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;
- Provision and maintenance of effective drainage system;
- Effective and suitable provision in every workroom for securing and maintaining the adequate ventilation by circulation of fresh air;
- Provision of vaccination facilities for contagious diseases;
- Display of emergency evacuation plans with location of fire extinguisher;
- Provision of modern amenities at manufacturing units to meet strict requirements of efficient servicing and smooth functioning at all times;
- Compliance with the legal requirement of Directorate of Industrial Safety & Health (DISH), Chief Fire Office etc.;
- Night Manager concept for vigilance of the overall campus; and
- Conducting Safety Committee Meeting to strengthen the safety.

ENVIRONMENTAL PROTECTION

Environmental protection is an increasingly vital issue all over the world. Ozone depletion, green house effect, global climate changes or global warming, etc, are the main issues in environment. Your Company believes that it is the responsibility of the Company to maintain ecological balance for sustainable development.

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

Your Company continues to strive to address matters related to Environmental Protection through a variety of initiatives like:

- Preparation of manual, codes and guides relating to prevention, control or abatement of environmental pollution;
- Collection and dissemination of information among employees in respect of matters relating to environmental pollution;
- Implementation of 3R System – Reduce, Reuse and Recycle for the optimum utilization of natural resources;
- Examination of manufacturing processes, materials and substances and replacement thereof, if any, that are likely to cause environmental pollution;
- Emission of pollution as per the standards prescribed by Central Pollution Control Board (CPCB);
- Celebration of Vanamohatsava (Annual Festival for Tree Plantation) and World Environment Day to increase mass awareness among the employees;
- Adoption of Industrial Waste Management Program and Pollution Under Control (PUC) camps for the benefit of the environment;
- Manufacturing facilities at various plants are certified to ISO 14001 standards;
- Organizing various events and seminars for environmental awareness; and
- Upgradation of automated sewage treatment and effluent treatment plants.

Your Company is in compliance of e-waste rules and guidelines and has a tie up on all India basis, with authorized recycler for collection and disposal of e-waste products. The Company has taken the initiative to spread awareness regarding e-waste management and its handling and disposal through print media, social sites, advertisement campaign by way of putting standee-educating the dealers and the end consumers.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars of Foreign Exchange Earnings and Outgo during the financial period ended on 30th June, 2013 are set out hereunder:

(₹ In Million)

Particulars	Period ended 30th June, 2013 (18 months)	Year ended 31st December, 2011 (12 months)
Foreign Exchange Earnings	**9,851.76**	3,840.53
Foreign Exchange Outgo	**26,193.13**	16,745.84

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.

The Company has adopted "Digital Nervous System" for sustaining the cut throat competition for the "Numero Uno" position in any sector of economy. Your Company has upgraded its existing facilities with improved technology for customers like call centers, connect through SMS, Websites so on to have best and speedy customer interaction. Your Company has put in place an enabled Consumer Interaction Centre for addressing complaints and suggestions from consumers, retailers and distributors.

Through the latest version of SAP Solutions your Company has leveraged the benefits like accelerate innovation, produce high-quality products at high profit margins, reduce the cost and effort of compliance, integration in business operations, optimization of enterprise resources, standardized business processes and standard operating practices with well established controls.

Your Company has introduced Sales Transformation & Enhancement Program (STEP), an innovative & customized in-house developed sales tool for providing day to day information required by sales force on the field.

This tool helps improving efficiency, enhance ability & productivity of sales force, leading to long term business sustainability and customer delight.

GPS Tracker, an integral part of STEP tool, uses strength of Android + GPS technology + GPRS coverage to deliver a high performance enable tool for the sales force. This gives visibility of Sales force on ground, dealer network etc.

CORPORATE SOCIAL RESPONSIBILITY

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

It is not only important for organizations to formulate CSR strategies but also important to make the employees adapt the same. The human resource department and corporate social responsibility are closely interrelated with each other.

Your Company believes that while profit is important for all businesses, profit cannot be the only reason for the existence. Profits help to achieve mission while contributing to the society. Your Company conducts its business in a sustainable and socially responsible manner. This principal is an integral part of your Company's corporate values. The Company continues to impact the lives of people through relentless CSR initiatives. Your Company has put in place the strategy including CSR priorities and actions for improvement everywhere in the organization.

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

APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

During the period under review, Mr. Karun Chandra Srivastava, Director of the Company resigned from the Board of the Company w.e.f 1st February, 2012. Mr. Girish K. Nayak – Nominee of ICICI Bank Limited ceased to be the Director of the Company w.e.f. 14th February, 2012, consequent to withdrawal of his nomination by ICICI Bank Limited. Further, during the period, Mr. Pradipkumar N. Dhoot, Whole-Time Director of the Company resigned from the Board of the Company w.e.f. 14th August, 2012.

The Board places its sincere appreciation towards the valued contribution received from Mr. Karun Chandra Srivastava, Mr. Girish K. Nayak and Mr. Pradipkumar N. Dhoot, during their tenure as the Directors of the Company.

During the period under review, Mr. S. Ananthakrishnan was co-opted as a Nominee Director of IDBI Bank Limited on the Board of the Company w.e.f 29th February, 2012. However, Mr. S. Ananthakrishnan, ceased to be the Director of the Company w.e.f 13th June, 2013, consequent to withdrawal of nomination by IDBI Bank Limited. Mr. B. Ravindranath was nominated in place of Mr. S. Ananthakrishnan.

Changes after the Balancesheet Date:

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

Pursuant to the provisions of Section 255, 256 of the Companies Act, 1956 and in terms of the Articles of Association of the Company, Mr. Anil G. Joshi and Mr. S. Padmanabhan are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. The Board recommends their re-appointment.

Brief profiles of Mr. Anil G. Joshi and Mr. S. Padmanabhan, specifying their expertise in specific functional area, other public companies in which they hold directorships and committee positions, is annexed to the Notice and forms part thereof.

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.

SUBSIDIARY COMPANIES

As on 30th June, 2013, your Company had 29 subsidiaries (including step down subsidiaries) viz. Applied Energy Private Limited, Chhattisgarh Power Ventures Private Limited, Comet Power Private Limited, Datacom Telecommunications Private Limited, Indigo Energy Private Limited, Jumbo Techno Services Private Limited, Liberty Videocon General Insurance Company Limited, Middle East Appliances LLC, Percept Energy Private Limited, Pipavav Energy Private Limited, Proficient Energy Private Limited, Prosperous Energy Private Limited, Senior Consulting Private Limited, Unity Power Private Limited, Videocon Australia WA-388-P Limited, Videocon Electronics (Shenzhen) Limited, Videocon Energy Limited, Videocon Energy Brazil Limited, Videocon Estelle Limited, Videocon Global Limited, Videocon Hydrocarbon Holdings Limited, Videocon Indonesia Nunukan Inc., Videocon Ivory Limited, Videocon International Electronics Limited, Videocon JPDA 06-103 Limited, Videocon Mauritius Energy Limited, Videocon Mozambique Rovuma 1 Limited, Videocon Oil Ventures Limited and Videocon Telecommunications Limited.

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

CASH FLOW STATEMENT

The Cash Flow Statement for the period ended 30th June, 2013, in conformity with the provisions of Clause 32 of the Listing Agreement with the Stock Exchanges in India, is annexed hereto.

AUDITORS

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

The Board recommends their re-appointment.

AUDITORS' 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 30th June, 2013.

Management's Explanation to the Auditors' Qualifications:

a) In respect of Point No. 4(f) of the Auditor's Report on Standalone Financial Statement for the period ended 30th June, 2013, regarding the extent of realisability of investments made in and advances given to 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 ₹ 49,337.50 Million and also given advances of ₹ 782.74 Million to Videocon Telecommunications Limited (VTL), the subsidiary. VTL was granted the license for providing Unified Access Services (UAS) in 21 circles by the Department of Telecommunications, Government of India (DoT) in 2008 and was also allotted spectrum in 20 circles. The Hon'ble Supreme Court of India, vide its judgment dated 2nd February, 2012, quashed all the UAS licenses granted on or after 10th January, 2008 and the subsequent allocation of spectrum to these licensees, which also include the 21 UAS licenses granted to VTL and the spectrum allotted to it. The Hon'ble Supreme Court of India, also directed the Telecom Regulatory Authority of India (TRAI) to make fresh recommendations for grant of licenses and allocation of spectrum and the Central Government to grant fresh licenses and allocation of spectrum by auction thereafter.

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

b) In respect of Point No. 6 of Auditors' Report on Consolidated Financial Statement regarding the recognisation of Deferred Tax Assets by the Subsidiary VTL, the explanation of management is as under:

The Subsidiary, VTL has evaluated its future taxable income after it has been awarded the Unified Licenses (Access services) in six circles with effect from 16th February 2013 which are valid for a period of 20 years and also been allotted 5Mhz spectrum in 1800 Mhz category in each of these six circles. The management is of the opinion that there is a virtual certainty, based on the future business plan, estimated increase in subscribers base and considering additional capital infusion into the Company which would restrict further borrowings and related costs, that sufficient future taxable income will be available against which the deferred tax assets can be realized. Accordingly, the Subsidiary VTL has recognized net deferred tax assets of ₹ 11,583.48 Million on the unabsorbed depreciation and business losses.

COST AUDITOR

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

1. Refrigerator;
2. Petroleum Products – Oils & Gas;
3. Electrical Energy; and
4. Glass and Glass Product.

The Board has accorded its approval for the re-appointment of Mr. Sudhir C. Sant, Cost Accountant in Whole-Time Practice, Pune, having Membership Number 7836, as the Cost Auditor of the Company, to conduct Audit of the Cost Accounting Records maintained by the Company for the financial year 2013-14, subject to the approval of Central Government.

In accordance with the provisions of The Companies (Cost Audit Report) Rules, 2011 and General Circular No. 15/2011 issued by Government of India, Ministry of Corporate Affairs, we hereby submit that the Company has filed the Cost Audit Report for the financial year ended 31st December, 2011 on 30th January, 2013 (due date 28th February, 2013).

As regards filing of the Cost Audit Report for the financial period ended on 30th June, 2013, the due date for filing the Cost Audit Report is 27th December, 2013 and the Company shall file the same on or before due date.

AUDIT COMMITTEE

Pursuant to the provisions of Section 292A of the Companies Act, 1956 and provisions of the Listing Agreement, the Company has constituted an Audit Committee. The composition, scope and powers of the Audit Committee together with details of meetings held during the period under review, forms part of Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the Annual Accounts for the period ended 30th June 2013, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30th June, 2013 and of the loss of the Company for the period ended on that date;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

d) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

ACKNOWLEDGEMENT

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

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

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

VENUGOPAL N. DHOOT
CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai

Date : 29th November, 2013

ANNEXURE TO DIRECTOR'S REPORT

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 217(2A) OF THE COMPANIES ACT,1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES,1975 AS AMENDED AND FORMING PART TO THE DIRECTORS' REPORT FOR THE PERIOD ENDED 30TH JUNE, 2013

Name of Employee	Designation	Remuneration (in ₹)	Qualification	Age (Years)	Experience (Years)	Date of Joining	Name of the Last Employer	Position (Designation) in Last Organisation
Abhijit Kotnis	Vice President	1,21,89,660	B. E. (Electronics)	45	23	01.04.2009	VDC, Technologies, Spa., Anagni., Italy	Factory Operational Head
Anil Arora	Associate Vice President	1,08,07,085	B.Sc	47	24	12.11.2009	LG Electronics India Limited	BGMH
A. K. Modani	Sr. Vice President	1,44,39,006	B.Com.,C.A.,C.S.	49	29	16.11.1989	Shree Digvijay Cement Co.Limited	Finance Executive
Arun Pal	Vice President	99,67,884	M.B.A.	41	18	04.06.2010	Samsung India Electronics Private Limited	Deputy General Manager
Chandramani Singh	Vice President	1,59,81,942	M.A., PGDBM	45	17	05.12.2008	Arron Engineering	Chief Executive Officer
Dr. G. C. Naik	Vice President-Technical	92,92,670	Ph.D, M.Tech (Petroleum Exploration), M.Sc. Tech (Applied Geology) Senior Management Program (SMP) from IIM	55	30	19.04.2007	Oil & Natural Gas Corporation Limited	Chief Geologist
Girish Shah	Associate Vice President	92,58,560	B. E. (Electronics), M.B.A.	49	26	29.12.2008	Samsung India Electronics Private Limited	General Manager - Manufacturing
H.S. Bhatia	Vice President	1,11,61,246	M.B.A.	51	25	10.08.2011	Bharti Airtel Limited	Chief Operating Officer
Jaideep Rathore*	Senior Vice President	1,22,67,666	B.Sc, M.B.A.	43	23	15.01.2009	Samsung India Electronics Limited	Senior Vice President - Sales & Marketing
Jerold Chagas Pereira	Vice President	1,09,07,542	B.Com, M.B.A.	43	16	19.08.2009	DLF Retail Developers Limited	Senior Vice President
N. Krishnaiah	Vice President-Geoscienses	1,04,79,725	M.Sc (Physics)	61	34	02.02.2009	Cairn India Limited	DGM (Geoscience)
N. S. Satish *	Senior Vice President	19,96,296	B.E., M.B.A.	45	21	14.11.2011	Panasonic India Private Limited	Director - Sales
Rahul Sethi	Vice President	1,46,30,858	B.Com.	61	38	01.02.1987	Gedor Limited	Commercial Manager
Shailesh Prabhu	Associate Vice President	68,63,612	M.B.A.	47	21	14.01.2011	Samsung India Electronics Private Limited	General Manager
Shekhar Jyoti	Vice President	1,49,58,840	B.Com, M.B.A.	50	29	22.01.1986	Macotax Consultant Private Limited	Vice President
Sunil Kumar Jain	Senior Vice President	1,56,44,850	M.com, ICWAI, C.S.	46	21	01.04.2010	Bharat Business Channel Limited	Senior Vice President
Sunil Tandon *	Senior Vice President	68,28,803	PGDBM	52	25	01.07.2012	Videocon Telecommunication Limited	Senior Vice President

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

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

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

* Part of the period

Place : Mumbai
Date : 29th November, 2013

CORPORATE GOVERNANCE REPORT

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

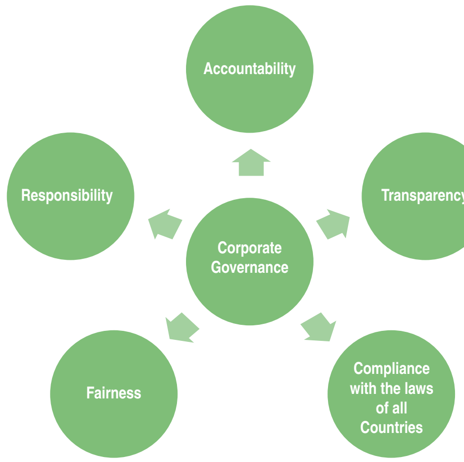
COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

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



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

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

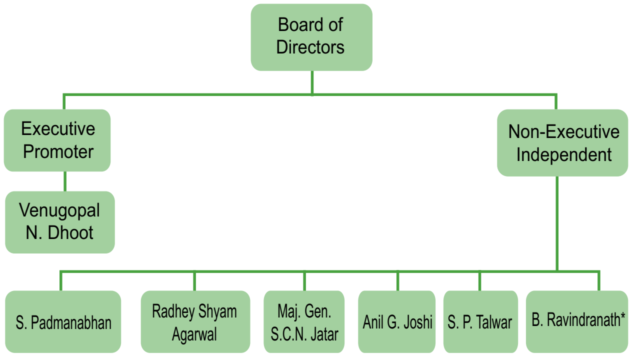
BOARD OF DIRECTORS

The Board consists of eminent persons with considerable professional experience and expertise in business & industry.

1. **Composition of Board as on 30th June, 2013:**

   The Board of Directors of the Company comprises of Executive and Non-Executive Directors. The Chairman is an Executive Director. In all, there were 7 Directors, including 6 Independent Directors as on 30th June, 2013. Except for Mr. B. Ravindranath who is a Non-Executive Chairperson in Stock Holding Corporation of India Ltd., none of the other Directors hold chairmanship on the Board of any other Public Companies.

   As on 30th June, 2013, the composition of the Board of Directors of the Company meets the stipulated requirements of Clause 49 of the Listing Agreement of the Stock Exchanges in following manner:



** Nominee Director- IDBI Bank Limited*

Board Procedure:

The primary responsibility of the Board is to evaluate the strategic decisions of the Company, management policies and their effectiveness. The Company has well defined guidelines and procedures for meetings of the Board of Directors and Committees thereof. The Company adheres to Secretarial Standard 1 as specified by The Institute of Company Secretaries of India, for conducting the Board Meetings.

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

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

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

   - Annual operating plans, 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;
   - 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;
- Information on recruitment of Senior Officers and Company Secretary;
- 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; and
- Any other materially relevant information.

c) 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.

2. 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 30th June 2013. A declaration to this effect signed by the Chairman and Managing Director is annexed to this report.

3. Meetings:

During the financial period, the Board met nine times on 29.02.2012, 15.05.2012, 24.05.2012, 26.05.2012, 14.08.2012, 09.09.2012, 09.11.2012, 14.02.2013 and 31.05.2013 (adjourned meeting of 30.05.2013). The gap between two Board Meetings did not exceed four months.

4. Attendance Record of Directors:

Name of the Director	Attendance at the AGM held on 29.06.2012	Attendance at the Board Meetings held during the financial period	Other Board@		
		Total Meetings Attended+	Directorship**	Committee Chairmanship#	Committee Membership#
Mr. Venugopal N. Dhoot	No	8	4	0	2
Mr. Pradipkumar N. Dhoot (upto 14.08.2012)	No	0	8	0	2
Mr. Radhey Shyam Agarwal	Yes	9	9	2	4
Mr. S. Padmanabhan	No	2	10	0	5
Maj. Gen. S. C. N. Jatar	No	9	0	0	0
Mr. S. P. Talwar	Yes	8	8	1	6
Mr. Anil G. Joshi	No	9	5	3	3
Mr. Karun Chandra Srivastava (upto 01.02.2012)	No	N.A	5	0	1
Mr. Girish K. Nayak (Nominee - ICICI Bank Limited) (upto 14.02.2012)	No	N.A	0	0	0
Mr. S. Ananthakrishnan (Nominee - IDBI Bank Limited) (From 29.02.2012 upto 13.06.2013)	No	5	0	0	0
Mr. B. Ravindranath (Nominee - IDBI Bank Limited) (From 13.06.2013)	No	N.A.	5	2	1

\+ Includes meeting(s) participated through audio conferencing.

@ Other Directorships(s), Committee Chairmanship(s) and Committee Membership(s) of Mr. Pradipkumar N. Dhoot, Mr. Karun Chandra Srivastava, Mr. Girish K. Nayak and Mr. S. Ananthakrishnan is/are based on the disclosure submitted at the beginning of the period under review and interim disclosures. As regards other directors, it is as on 30th June, 2013.

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

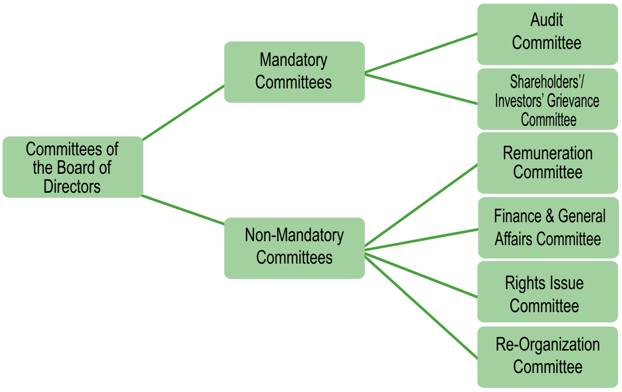
As per Clause 49 of the Listing Agreement, Memberships/Chairmanships of only Audit Committee and Shareholders'/Investors' Grievance Committee of Public Limited Companies have been considered.

5. **Brief profile of Directors seeking appointment/re-appointment:**

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

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors of the Company have set up Committees to carry out various functions, as entrusted, and give the suitable recommendations to the Board on the significant matters, from time to time.



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

1. **AUDIT COMMITTEE:**

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

Composition as on 30th June, 2013:

The Committee comprises of Independent Directors who are financially literate persons having vast experience in the area of finance, accounts and industry. The composition as on 30th June, 2013, was as under:

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

After the Balancesheet date, the Audit Committee was reconstituted due to sad demise of Mr. S. P. Talwar on 9th August, 2013. Mr. Anil G. Joshi was co-opted as the member of the Audit Committee in place of Mr. S. P. Talwar and Mr. Radhey Shyam Agarwal was elected as the Chairman of the Audit Committee.

Meetings and Attendance:

During the financial period under review, seven meetings of the Committee were held on the following dates: 29.02.2012, 15.05.2012, 26.05.2012, 14.08.2012, 09.11.2012, 14.02.2013 and 31.05.2013 (adjourned meeting of 30.05.2013).

Name	Meetings Attended*
Mr. S. P. Talwar	6
Maj. Gen. S.C.N. Jatar	7
Mr. Radhey Shyam Agarwal	7

*Including participation through Audio Conferencing

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

Terms of reference and Scope of the Committee:

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

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

b) Recommending to the Board the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and fixation of the audit fee and also approval for payment for any other services rendered by the Auditors.

c) Reviewing with management the annual financial statements before submission to the Board for approval, focusing primarily on:

   - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
   - Changes, if any, in accounting policies and practices, and reasons for the same.
   - Major accounting entries based on exercise of judgment by management.
   - Observations, if any, in the draft audit report.
   - Significant changes/amendments, if any, arising out of audit.
   - The going concern assumption.
   - Compliance with accounting standards.
   - Qualification in the draft audit report, if any.
   - Compliance with 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 the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

h) Discussion with internal auditors regarding any significant findings and follow up there on.

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

j) Discussion with statutory auditors before the commencement of audit, on nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

k) Reviewing the Company's financial and risk management policies.

l) Assessing the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

m) Financial Statements and Investments made by Subsidiaries.

n) To review the functioning of Whistle Blower Mechanism.

o) 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.

p) 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.

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.

2. SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE:

Composition as on 30th June, 2013:

The composition of the Shareholders'/ Investors' Grievance Committee of the Board of Directors as on 30th June, 2013, was as under:

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

During the period under review, Mr. Karun Chandra Srivastava resigned from the Board of Directors of the Company w.e.f. 1st February, 2012. Consequent upon his resignation, he ceased to be a member of Shareholders'/ Investors' Grievance Committee. Mr. Radhey Shyam Agarwal was co-opted as the member of Shareholders'/ Investors' Grievance Committee in place of Mr. Karun Chandra Srivastava.

Meetings and Attendance:

During the financial period under review, seven meetings were held on the following dates: 29.02.2012, 15.05.2012, 22.05.2012, 14.08.2012, 09.11.2012, 14.02.2013 and 31.05.2013.

Name	Meetings Attended*
Maj. Gen. S C N Jatar	7
Mr. S. Padmananbhan	2
Mr. Karun Chandra Srivastava	N.A.
Mr. Radhey Shyam Agarwal	7

*Including participation through Audio Conferencing.

Compliance Officer:

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

Terms of reference and Scope of the Committee:

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

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

Scope of the Committee:

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

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

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

Share Transfer Details:

The number of Shares transferred during the period under review:

Sr. No.	Particulars	Equity
a)	Number of Transfers	894
b)	Average No. of Transfers per Month	49.67
c)	Number of Shares Transferred	12,913

Demat/Remat of Shares:

Sr. No.	Particulars	Equity
a)	Number of Demat Requests approved	2,708
b)	Number of Sub-committee Meetings held	74
c)	Number of Shares Dematerialized	16,562,223
d)	Percentage of Shares Dematerialized	5.20
e)	Number of Rematerialization Requests approved	5
f)	Number of Shares Rematerialized	10,049

Details of complaints received and redressed during the period ended 30th June, 2013:

During the period under review, the Company received 1,520 complaints. 1,515 were redressed to the satisfaction of the shareholders. However, there are 8 pending complaints (considering 3 complaints of previous year which were interim replied) in respect of which the Registrar has sent interim responses to the Investors.

3. **REMUNERATION COMMITTEE:**

The Board of Directors has set up a Remuneration Committee to review the amount to be paid as remuneration to the Directors of the Company and Key Management Personnel.

Composition as on 30th June, 2013:

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

After the Balancesheet date, the Remuneration Committee was reconstituted due to sad demise of Mr. S. P. Talwar on 9th August, 2013. Mr. Anil G. Joshi was co-opted as the member of the Remuneration Committee in place of Mr. S. P. Talwar.

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

Meeting and Attendance:

During the financial period under review, one meeting of the Committee was held on 29.02.2012.

Name	Meetings Attended
Maj. Gen. S.C.N. Jatar	1
Mr. S. P. Talwar	1
Mr. Radhey Shyam Agarwal	1

Terms of reference and Scope of the Committee:

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

- Fixing & Reviewing the remuneration of 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.

Director's Remuneration:

(a) The Promoter Directors, Executive Directors, Non-Executive Non-Independent Directors, are not paid any sitting fees. Mr. Venugopal N. Dhoot, Chairman and Managing Director and Mr. Pradipkumar N. Dhoot, Whole-Time Director of the Company (upto 14th August, 2012) are entitled for remuneration as per their terms of appointment. However, they have not drawn any remuneration for the period ended on 30th June, 2013.

(b) 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 (Rs.)
1.	Mr. S. Padmanabhan	390,000
2.	Mr. Karun Chandra Srivastava (upto 1.2.2012)	Nil
3.	Maj. Gen. S.C. N. Jatar	400,000
4.	Mr. S. P. Talwar	300,000
6.	Mr. Radhey Shyam Agarwal	620,000
7.	Mr. Anil G. Joshi	180,000
8.	Mr. S. Ananthakrishnan (IDBI Bank Limited) (upto 13.6.2013)	100,000
9.	Mr. Girish K. Nayak (ICICI Bank Limited) (upto 14.2.2012)	Nil
10.	Mr. B. Ravindranath (IDBI Bank Limited) (from 13.6.2013)	Nil

Stock Options:

The Company has not issued any Stock Options.

4. **FINANCE AND GENERAL AFFAIRS COMMITTEE:**

Composition as on 30th June, 2013:

Name	Designation	Category
Mr. Venugopal N. Dhoot	Chairman	Promoter-Executive
Mr. S. Padmanabhan	Member	Independent
Mr. Radhey Shyam Agarwal	Member	Independent

During the period under review, there was a change in the composition of Finance And General Affairs Committee. Mr. Pradipkumar N. Dhoot resigned from the Board of Directors w.e.f. 14th August, 2012. Consequent upon his resignation, he ceased to be a member of the Finance And General Affairs Committee. Mr. Radhey Shyam Agarwal was co-opted as the member of Finance And General Affairs Committee in place of Mr. Pradipkumar N. Dhoot.

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

Meeting and Attendance:

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

Name	Meetings Attended
Mr. Venugopal N. Dhoot	36
Mr. Pradipkumar N. Dhoot	4
Mr. S. Padmanabhan	29
Mr. Radhey Shyam Agarwal	19

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.

5. **RIGHTS ISSUE COMMITTEE:**

Composition as on 30th June, 2013:

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

Meeting and Attendance:

During the financial period under review, three meetings were held on the following dates: 2.11.2012, 4.2.2013 and 20.2.2013.

Name	Meetings Attended
Mr. Venugopal N. Dhoot	3
Mr. S. Padmanabhan	3
Maj. Gen. S.C. N. Jatar	0
Mr. Radhey Shyam Agarwal	3

Terms of reference and Scope of the Committee:

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

6. **RE-ORGANIZATION COMMITTEE:**

Composition as on 30th June, 2013:

Name	Designation	Category
Mr. Venugopal N. Dhoot	Chairman	Promoter-Executive
Mr. S. Padmanabhan	Member	Independent
Mr. S. P. Talwar	Member	Independent

After the Balancesheet date, the Re-organisation Committee was reconstituted due to sad demise of Mr. S. P. Talwar on 9th August, 2013. Mr. Radhey Shyam Agarwal was co-opted as the member of the Re- Organization Committee in place of Mr. S. P. Talwar.

Meeting and attendance-

One meeting was held on 24.05.2012 during the period under review. All the members attended the meeting.

Terms of reference:

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

MEANS OF COMMUNICATION

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

In terms of the requirements of Clause 52 of the Listing Agreement with the Stock Exchanges in India, the un-audited financial results as well as audited financial results, shareholding pattern of the Company and Corporate Governance Report are electronically submitted, unless there are technical difficulties and are displayed through Corporate Filing and Dissemination System viz., www.corpfiling.co.in and on www.listing.bseindia.com. Similarly, the un-audited financial results as well as audited financial results, shareholding pattern of the Company and Corporate Governance Report are displayed on NEAPS (NSE Electronic Application Processing System) website i.e. www.connect2nsecom.

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

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

GENERAL BODY MEETING

The details of the last three Annual General Meetings (AGMs) of the Company are as under:

AGM	Date	Location	Time	Special Resolution Passed
21st	30th March, 2010	14 K. M. Stone, Aurangabad – Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad – 431 105	12.00 Noon	NIL
22nd	29th June, 2011	14 K. M. Stone, Aurangabad – Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad – 431 105	12.00 Noon	1 (One)
23rd	29th June, 2012	14 K. M. Stone, Aurangabad – Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad – 431 105	12.00 Noon	NIL

POSTAL BALLOT

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

Resolution No.	Particulars of the Resolution Passed	Section of the Companies Act, 1956, under which the resolution passed	Nature of Resolution
1.	Authorised the Board of Directors to make investments, extend guarantee, provide security, make inter-corporate loans upto an amount not exceeding ₹ 50,000 Crores.	Section 372A	Special
2.	Authorised the Board of Directors of the Company to borrow money/moneys upto an amount not exceeding ₹ 50,000 Crores.	Section 293 (1) (d)	Ordinary
3.	Authorised the Board of Directors to sell, lease, mortgage, or otherwise dispose off the whole or substantially the whole of undertaking of the Company upto an amount not exceeding ₹ 50,000 Crores.	Section 293 (1) (a)	Ordinary
4.	Authorized the Board of Directors of the Company, for Issue of Equity Shares or any other convertible instruments for an amount not exceeding ₹ 5,000 Crores, at an appropriate time, by way of Follow on Issue, Private Placement basis, Qualified Institutional Placement basis, American Depository Receipts (ADRs), Global Depository Receipts (GDRs), Foreign Currency Convertible Bonds (FCCBs) or any other mode or mechanism.	Section 81(1A)	Special

The Board had appointed Mr. Sharad B. Palod, Advocate, as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

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

The procedure for postal ballot was as per Section 192A of the Companies Act, 1956 and rules made thereunder namely Companies (Passing of the Resolution by Postal Ballot) Rules, 2011. The Company had provided facility of voting through postal ballot and also through electronic mode.

Results were announced and resolutions were declared as passed on 2nd February, 2013.

VOTING PATTERN

	1	2	3	4	5	6	7	8	9	10
Item No.	Particulars	Total No. of Valid PBF Received/ E-Voting Excluding Rejected	Total No. of Shares	% of Shares to Total Equity	Total No. of Votes Casted In Favour of the Resolution	% of Shares to Total No of Valid Shares Polled through PBF/E-Voting	Total No. of Votes Casted Against the Resolution	% of Shares to Total No. of Valid Shares Polled through PBF/E-Voting	Short Voting and Abstain from Voting No. of Shares	Remarks
1	Special Resolution under Section 372A of the Companies Act, 1956, for authorizing the Board of Directors to make investments, extend guarantee, provide security, make inter-corporate loans upto an amount not exceeding ₹ 50,000 Crores.	3,387	219,382,222	68.82	216,748,955	98.80	2,630,163	1.20	3,104	-
2	Ordinary Resolution under Section 293(1) (a) of the Companies Act, 1956, for authorizing the Board of Directors to sell, lease, mortgage, or otherwise dispose off the whole or substantially the whole of undertaking of the Company upto an amount not exceeding ₹ 50,000 Crores.	3,387	219,382,222	68.82	216,684,535	98.77	2,633,292	1.20	64,395	-
3	Ordinary Resolution under Section 293(1) (d) of Companies Act, 1956, for authorizing the Board of Directors of the Company to borrow money/moneys upto an amount not exceeding ₹ 50,000 Crores.	3,387	219,382,222	68.82	216,686,425	98.77	2,631,386	1.20	64,411	-
4	Special resolution under Section 81(1A) of the Companies Act, 1956, authorizing the Board of Directors of the Company, for Issue of Equity Shares or any other convertible instruments for an amount not exceeding ₹ 5,000 Crores, at an appropriate time, by way of Follow on Issue, Private Placement basis Qualified Institutional Placement Basis, American Depository Receipts (ADRs), Global Depository Receipts (GDRs), Foreign Currency Convertible Bonds (FCCBs) or any other mode or mechanism, subject to necessary approval and consent	3,387	219,382,222	68.82	216,677,825	98.77	2,639,072	1.20	65,325	-

328 cases representing 42,726 equity shares were rejected/ invalid cases.

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

DISCLOSURES

a)	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. 42 and 43 of standalone financial statement(s) of the Annual Report.
b)	Non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.	Whole Time Member, Securities and Exchange Board of India ("SEBI"), had passed an interim ex-parte order dated 04th June, 2013 under Sections 11(1), 11(2)(j), 11(4) and 11(B) of the Securities and Exchange Board of India Act, 1992, read with section 12A of the Securities Contracts (Regulation) Act, 1956 in relation to the compliance by listed companies with the requirement of Minimum Public Shareholding (MPS) against various companies and their promoters, directors including Videocon Industries Limited ('the Company') and its promoters and directors, in relation to the non-compliance with the requirement of MPS. The Company along with its promoters and directors had filed its reply submitting that the Company was compliant with the MPS norms till March 05, 2013. The promoters'/promoter group of the Company acquired 49,75,056 shares, representing 1.56% of the outstanding share capital of the Company, through secondary market on different dates between December 31, 2012 and May 23, 2013. However, due to such acquisition, the public shareholding of the Company fell below 25%. The acquisition has been made by the promoters/promoter group of the Company due to an understanding that the computation of promoter holding is with reference to the outstanding share capital. The shares held by the custodians against depository receipts issued overseas were included for the purpose of determining public shareholding. As the public shareholding of the Company fell below 25% on March 05, 2013, under Rule 19A(2), the Company is under obligation to bring back the public shareholding at 25% within twelve month i.e. on or before March 04, 2014. Notwithstanding the submission, in order to comply with the MPS requirements, the Company and its promoters'/promoter group had decided to adopt the method of Offer for Sale (OFS). The promoters'/ promoter group of the Company then made an OFS on 24th September, 2013 and sold 18,00,000 equity shares in order to achieve MPS requirements. As a result the shareholding of the promoters'/promoter group of the Company post OFS stood at 74.95% and the public shareholding stood at 25.05%. The Company filed its additional reply on 30th September, 2013. In response, an opportunity of personal hearing was afforded to the Company and considering the facts Whole Time Member, SEBI, vide its order dated 22nd November, 2013, vacated the directions issued vide the interim order dated 4th June, 2013, against the Company, its directors, promoters and promoter group, with immediate effect.
c)	Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee	The Company has implemented Whistle Blower Policy and it is hereby affirmed that no personnel have been denied access to the Audit Committee.
d)	Details of Compliance with mandatory requirements and adoption of the non mandatory requirements of this clause.	The Company has: 1. Constituted a Remuneration Committee, details of which are captured in the section Board Committees of this Report. 2. Adopted a Whistle Blower Policy to promote reporting of any unethical or improper practice or violation of the Company's Code of Conduct or complaints regarding accounting, auditing, internal controls or disclosure practices of the Company. It gives platform to the whistle blower to report any unethical or improper practice (not necessarily violation of law) and to define processes for receiving and investigating complaints. No personnel have been denied access to the Audit Committee.

GENERAL SHAREHOLDER INFORMATION

1. **ANNUAL GENERAL MEETING:**

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

Day	Saturday
Date	28th December, 2013
Time	11.30 a.m.
Venue	At the Registered Office: 14 K. M. Stone, Aurangabad – Paithan Road, Village: Chittegaon, Taluka: Paithan Dist.: Aurangabad – 431 105 (Maharashtra)

2. **FINANCIAL CALENDER FOR THE YEAR ENDED 30TH JUNE 2014:**

The financial calendar (tentative) shall be as under:

Financial Year	1st July, 2013 to 30th June, 2014
First Quarterly Results	On or before 14th November, 2013
Second Quarterly Results	On or before 14th February, 2014
Third Quarterly Results	On or before 15th May, 2014
Fourth Quarterly Results	On or before 29th August, 2014
Annual General Meeting for year ending 30th June, 2014	On or before 31st December, 2014

3. **DATE OF BOOK CLOSURE:**

The date of Book Closure for the purpose of Annual General Meeting and determining the shareholders' entitlement for dividend shall be from Monday, 16th December, 2013 to Saturday, 28th December, 2013 (both days inclusive).

4. **DIVIDEND PAYMENT DATE:**

Dividend on equity shares, if declared at the Annual General Meeting, is proposed to be paid on or around Thursday, 2nd January, 2014.

5. LISTING ON STOCK EXCHANGES AND STOCK CODE:

The Equity Shares of your Company are listed on BSE Limited (Formerly: Bombay Stock Exchange 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 (Formerly: Bombay Stock Exchange Limited) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 Web: www.bseindia.com	511389
2	The National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra East, Mumbai- 400 051 Web: www.nseindia.com	VIDEOIND

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

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

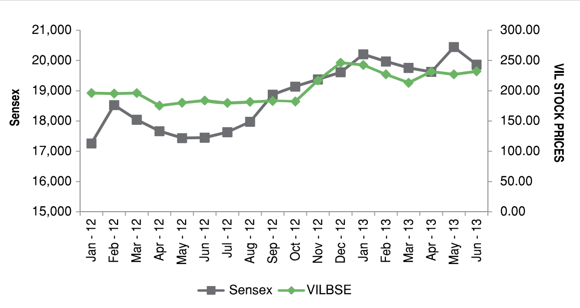
The Company has paid listing fees for the year 2013-2014 to both the Stock Exchanges and the Custodial Fees for the year 2013-2014 to National Securities Depository Limited and Central Depository Services (India) Limited.

6. MARKET PRICE DATA:

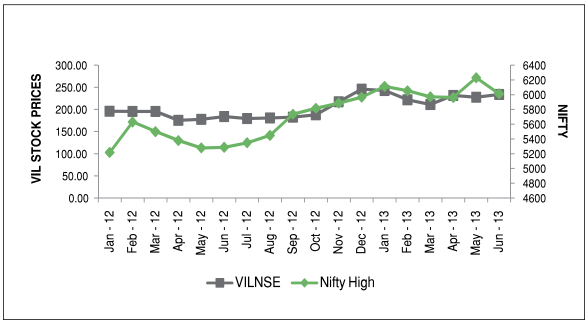
Average monthly high and Low prices at BSE and NSE are given below:

Month	BSE		NSE	
	High	Low	High	Low
January-12	196.00	171.20	196.00	170.10
February-12	195.20	166.10	195.50	166.85
March-12	196.00	168.30	195.40	167.55
April-12	175.20	165.00	175.35	166.70
May-12	180.00	166.05	177.40	165.55
June-12	183.70	166.90	183.80	167.25
July-12	179.65	161.10	179.45	164.70
August-12	181.50	166.00	180.80	167.00
September-12	183.00	170.10	182.60	170.20
October-12	182.00	168.00	188.00	169.50
November-12	216.90	166.20	217.25	167.85
December-12	246.25	207.55	246.00	208.00
January-13	242.45	200.70	242.80	200.20
February-13	226.95	168.15	222.00	166.00
March-13	213.00	190.50	211.10	190.15
April-13	231.45	200.65	231.90	200.05
May-13	227.00	199.60	227.50	200.30
June-13	232.00	193.50	233.95	193.25

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



A comparative chart showing Videocon Industries Limited (VIL) High verses National Stock Exchange High:



7. DISTRIBUTION OF SHAREHOLDING:

A) Shareholding Pattern as on 30th June, 2013:

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a percentage of (A + B)	As a percentage of (A+B+C)
(A)	**Shareholding of Promoter and Promoter Group**				
(1)	Indian	45	221,188,414	75.56	69.39
(2)	Foreign	-	-	-	-
	Sub-Total (A)	**45**	**221,188,414**	**75.56**	**69.39**
(B)	**Public Shareholding**				
(1)	Institutions	163	36,211,141	12.37	11.36
(2)	Non-Institutions				
	-Bodies Corporate	2,076	23,541,651	8.04	7.39
	-Individuals	318,131	11,562,890	3.95	3.62
	-Others	985	216,347	0.07	0.07
	Sub-Total (B)	**321,355**	**71,532,029**	**24.44**	**22.44**
	TOTAL (A) + (B)	**321,400**	**292,720,443**	**100.00**	**91.83**
(C)	**Shares held by Custodians and against which depository Receipt have been issued**				
(1)	Promoter and Promoter Group	-	-	-	-
(2)	Public	2	26,051,226	-	8.17
	Sub-total (C)	**2**	**26,051,226**	**-**	**8.17**
	GRAND TOTAL (A) + (B) + (C)	**321,402**	***318,771,669**	**-**	**100.00**

*Total number of shares includes 14,809 partly paid-up equity shares (₹ 5/- paid) issued on Rights Basis on 22nd April, 2010.

B) Distribution of Shareholding as on 30th June, 2013:

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	318,394	99.06	6,218,087	62,180,870	1.95
5,001 to 10,000	1,452	0.45	1,111,333	11,113,330	0.35
10,001 to 20,000	660	0.21	969,279	9,692,790	0.30
20,001 to 30,000	237	0.07	604,179	6,041,790	0.19
30,001 to 40,000	113	0.04	399,790	3,997,900	0.13
40,001 to 50,000	85	0.03	397,177	3,971,770	0.12
50,001 to 1,00,000	156	0.04	1,134,966	11,349,660	0.36
1,00,001 and above	305	0.10	307,936,858	3,079,368,580	96.60
Total	**321,402**	**100.00**	**318,771,669**	**3,187,716,690**	**100.00**

8. DEMATERIALIZATION OF SHARES AND LIQUIDITY:

The Company's Equity Shares are under compulsory demat trading by all categories of investors. As on 30th June, 2013, 316,777,383 Equity Shares have been dematerialized which account for 99.37% of the total equity.

9. OUTSTANDING GDRs/ ADRs/WARRANTS OR CONVERSION INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY (30TH JUNE, 2013):

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

Sr. No.	Particulars	FCCB of US$ 200 Million (due on 16th December, 2015)
1	Principal Value of the FCCBs issued	US$200,000,000
2	Principal Value of FCCBs converted into equity till 30th June, 2013	US$ 5,600,000
3	Underlying equity shares issued pursuant to conversion of FCCBs as referred S. No. 2	1,058,035
4	Principal Value of FCCBs outstanding at the end of the year i.e. as on 30th June, 2013,	US $ 194,400,000
5	Underlying equity shares which may be issued upon conversion of FCCBs as referred in S. No. 4 hereinabove.	36,729,013

10. WARRANTS:

There were no warrants issued during the year under review.

11. REGISTRAR AND SHARE TRANSFER AGENT:

MCS Limited
Kashiram Jamnadas Building
Office No. 21/22, Ground Floor,
5, P D'mello Road (Ghadiyal Godi),
Masjid (East), Mumbai-400 009
Tel: 022-23726253/55 Fax: 022-23726256
E-mail: mcspanvel@yahoo.co.in

12. 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 to 20 days from the date of receipt.

13. 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.

14. 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
Email: secretarial@videoconmail.com

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

MCS Limited
Kashiram Jamnadas Building,
Office No. 21/22, Ground Floor,
5, P D'mello Road (Ghadiyal Godi),
Masjid (East), Mumbai-400 009
Tel: 022-23726253/55
Fax: 022-23726256

15. 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).

16. PERMANENT ACCOUNT NUMBER:

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

17. 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.

18. COMPLIANCE CERTIFICATE OF THE AUDITORS:

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

DECLARATION

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

For VIDEOCON INDUSTRIES LIMITED

CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai
Date : 29th November, 2013

CMD/CFO CERTIFICATION

To,

The Board of Directors,

VIDEOCON INDUSTRIES LIMITED

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

a) We have reviewed the Financial Statement and the Cash Flow Statement, for the period ended on 30th June, 2013 and to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

c) We accept the responsibility for establishing and maintaining internal controls for financial reporting, evaluate the effectiveness, disclosing the deficiencies in the design or operation of internal controls, if any, to the Auditors and Audit Committee and take steps or propose to take steps to rectify these deficiencies.

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

   i. Significant changes in Internal Control over financial reporting during the period;

   ii. Significant changes in Accounting Policies, the same have been disclosed in the notes to the financial statement; and

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

For VIDEOCON INDUSTRIES LIMITED

CHIEF FINANCIAL OFFICER **CHAIRMAN & MANAGING DIRECTOR**

Place : Mumbai
Date : 29th November, 2013

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 30th June, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

SHIVRATAN AGARWAL
Partner
Membership No. 104180

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

U. S. KADAM
Partner
Membership No. 31055

Place : Mumbai
Date : 29th November, 2013

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. The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and guidelines issued by SEBI. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs.

CONSUMER ELECTRONICS INDUSTRY

The global consumer electronics industry remains steady despite economic slowdown. While younger consumers have, for years, been eager to purchase new technologies, older consumers are showing optimistic purchase plans as well. Emerging markets continue to strengthen their importance as consumers in these markets remain active buyers with strong purchase intentions. But underlying this growth is a competitive environment best characterized as an open playing field.

Across geographies and market segments, demand for consumer technologies remains steady. In the shifting landscape of increasingly multi-function devices, and compelled by consumer willingness to experiment, industry players have tremendous opportunity to change the game to win.

The consumer electronics market is in a rapid evolution phase and the manufacturers are under tremendous competitive pressure to be first-to-market with unique and differentiated products. To stay ahead of the competition, the manufacturers have set the ball rolling and are forced to constantly enhance their products or support emerging technologies.

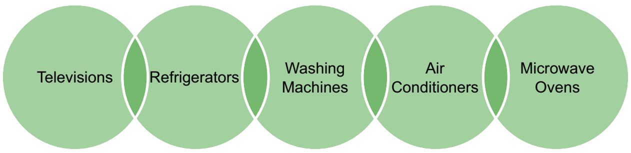
Consumer electronics manufacturers continue to focus on innovation in next generation technology to meet consumer demand. The industry will gain some relief as the economic environment becomes more favorable, seeing consumers less reluctant to dispose off the rising disposable income.

CONSUMER ELECTRONICS SEGMENT - VIDEOCON

The Company emerges as a USD 5 Billion Global conglomerate continuing to set trend in every sphere of its activities. The Company is into the business of manufacturing, assembling and distributing a comprehensive range of consumer electronics, products and home appliances. Your Company has also ventured into the business of power generation, oil and gas business, telecom sector and insurance sector.

The growth of Consumer Electronics Industry is supported by an increase in the disposable incomes, changing tastes and preferences and innovative measures on the part of the manufacturers. The Company has ventured into localization of the products and introduction of compact versions of the product to meet the requirements of the people.

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



Televisions:

The Indian Television Industry has undergone significant changes in recent times. Television, now a days is not only an entertainment devise but also a source of information. Television has the biggest impact in all walks of life because it is the most popular way of getting information. Apparently, since 'seeing is believing', it is an effective way to educate people.

Televisions continue to be the mainstay of the Consumer Electronics Industry with the transition occurring to newer technologies. In addition to the LED TVs, 3D TVs, DTH LED TVs, Internet TVs etc., the Company is launching products like 4K Ultra HD DDB TVs.

Some of the eye catching features of televisions are:

- **Fully Integrated Digital TV**: There is a shift from analogue to digital transmission signals having advantages of no signal loss, clear and bright HD TV Viewing.
- **Dual Core Processor:** Dual Core CPU with 450MHz inside ensures high system performance with greater operation reliability.
- **14-Bit Video Processor:** Video is optimized with 14-bit colour processing which leads to high depth in picture, true colour enhancement with natural skin tone.
- **Faroudja Video & Audio Optimized:** Faroudja Engine has high algorithms for Video and Audio Superiority. It has advanced noise reduction capability that eliminates the blur caused by noise signal & presents the clear image for your viewing. It also has colour compensation / correction processing with independent L&R processing for vivid picture quality. Similarly, Faroudja audio optimization has algorithms for noise reduction from audio for crystal clear sound experience.
- **10-Band Graphics Equalizer:** A graphic equalizer allows the user to control individually a number of different frequency bands in a stereophonic system.
- **STRATA Certified Audio:** STRATA produces loud and clear sound which provides an incredible listening experience, intensifying the emotional impact of movies and music.

The Company tries to reach out to all classes of customers by launching innovative products right from affordable to premium and luxury categories. Going forward, the Company is likely to launch innovative products and technologies to cater to our ever evolving target audience.

Refrigerators:

In the era of refrigeration, technology is evolving at a staggering pace. Refrigerator for long has remained a high priority product at the time of purchase for the home maker and when in use, the utility aspect takes an edge over. There have been constant improvements on energy efficiency and cooling aspect and new technologies have been evident across all categories.

Your Company has introduced smart and energy-efficient refrigerators. In addition to this, your Company is piling on more features, more claims and even more doors as the Company competes in a tougher appliances market. Your Company has come up with refrigerators loaded with style & technology which breaches new horizon and finds its ultimate expression. With tasteful exterior finishes, exclusive designs and equipped with plethora of tailor-made features, the Company has introduced masterpiece refrigerators to fit the consumer specifications.

Some of the eye catching features of the refrigerators are:

- Models with a smart LED Lit handle with photo sensors, which sense darkness.
- Digital alarm clock with timer and calendar.
- Smart storage options.
- Cosmetic racks.
- Side by side refrigerators of higher capacity.
- Ice & water Dispenser.
- Magic Cool Zone.

Washing Machines:

The washing machine market is seeing an upsurge in terms of both quantity and value. The reason is that washing machines are no longer considered as luxury items. Now, they have become utilitarian goods and an integral part of our lives. The increase in nuclear families, growth in working women and youth and people's desire for a better life style has enhanced the need and growth of demand of this product. To cater to this need, your Company has focused in introducing Front Loading & Top Loading Fully Automatic and Semi Automatic Washing Machines which are user friendly having utility features which utilizes less power, water and detergent and with enhanced performance.

The shift of the users from semi-automatic to fully automatic versions has been a major trend driving the Indian washing machine market. Since inception, there has been consistent advancement in technologies. Your Company has come out with a series which is designed to deliver smart cleaning, smart rinsing and drying along with smart convenience and smart savings.

Air Conditioners:

Products which enhances lifestyle and comfort living have gained utmost prominence with increase in aspirations and economic clout of tech-savvy users. Air conditioners have gained prominent position in residential and commercial establishments and have expanded its reach from luxury to essential product with the expanding economy and per capita income. The product has not only remained for comfort but also became a fashion statement and has occupied coveted space at home and business place.

The desire for a comfortable environment creation has led to increase in the technological advancement in the Air Condition industry with path breaking technology development. With greater awareness on Eco friendly requirements like low power consumption, healthier air, low noise, ozone friendly technology coupled with trendy looks has propelled the need for the air conditioners. Considering the aforesaid aspects, your Company has introduced air conditioners with features that add to the comfort. Some of the features include:

- Copper tubing which apart from better durability and serviceability gives the Air Conditioner better cooling efficiency even at higher ambient temperatures.
- Five-stage filter which provides air that is hygienic and free from any unwanted particles.
- Smart purification system that ensures that the homes have pure air while ensuring smart savings.

Microwave Ovens:

The Company has constantly customized its product range to suit the taste of Indian consumers and providing microwave ovens with superior yet friendly technology for microwave cooking. To move up from only reheating and baking, many advanced models of microwave ovens have been launched. There has been a constant research and development activity to create a technology for preservation of the nutrients while cooking, keeping in mind the growing health-conscious youth population.

Over the years, the technological growth led to the advancement in microwave oven, with it becoming more and more kitchen friendly, as microwave stepped up the counter tops to suit every taste. Your Company has come up with variety of models which are virtually suited to meet the needs of cooking and heating. The smart auto cook menus of microwave ovens have pre-programmed cooking cycles so that one can enjoy delicious food at just the touch of a button. The microwave ovens, also have smart convenience features that provide easy cleaning and ensure safety for children.

OIL AND GAS INDUSTRY

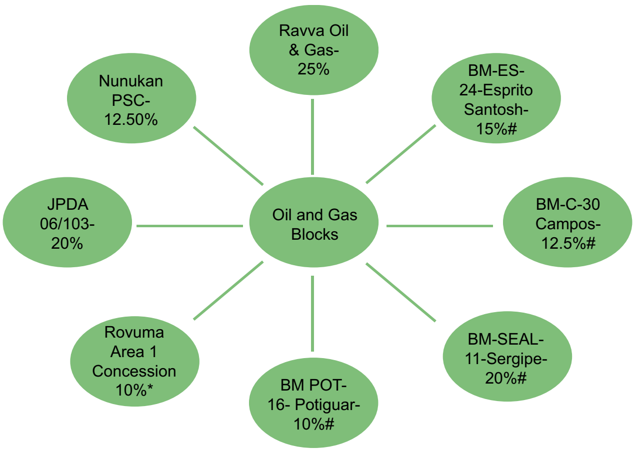
The Indian oil and gas sector is one of the six core industries in India and has very significant forward linkages with the entire economy. India has been growing at a decent rate annually and is committed to accelerate the growth momentum in the years to come. This would translate into India's energy needs growing many times in the years to come. Hence, there is an emphasized need for wider and more intensive exploration for new finds, more efficient and effective recovery, a more rational and optimally balanced global price regime - as against the rather wide upward fluctuations of recent times, and a spirit of equitable common benefit in global energy cooperation.

The Indian oil and gas sector is of strategic importance and plays a predominantly pivotal role in influencing decisions in all other spheres of the economy. The annual growth has been commendable and will accelerate in future consequently encouraging all round growth and development. This has necessitated the need for a wider intensified search for new fields, evolving better methods of extraction, refining and distribution, the constitution of a national price mechanism - keeping in mind the alarming price fluctuation in the recent past and evolving a spirit of equitable global cooperation.

The oil and gas sector in India presents a significant opportunity for investors and is exhibited to demonstrate robust growth in line with the growth of the Indian economy. India's Oil and Gas sector is a promising one as there is a huge untapped potential basin while many large blocks offshore are unexplored.

OIL AND GAS SEGMENT- VIDEOCON

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



* During the period under review, the wholly owned Mauritius based subsidiary named Videocon Mauritius Energy Limited has on 25th June, 2013 executed at Singapore, a Share Sale & Purchase Agreement with ONGC Videsh Limited and Oil India Limited for sale of its 100% stake in Videocon Mozambique Rovuma 1 Limited ("VMRL") for a consideration of US$ 2.475 billion. VMRL holds 10% participating interest in the offshore Area 1 Block in Rovuma Basin in Mozambique, which has series of sizable natural gas discoveries.

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

SEGMENT-WISE PERFORMANCE

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

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

(₹ in Million)

Segment	Period ended 30th June, 2013 (18 Months)	Year ended 31st December, 2011 (12 Months)
Consumer Electronics and Home Appliances	**167,800.19**	115,651.15
Crude Oil and Natural Gas	**19,700.64**	14,934.64
Telecommunication	**6,053.46**	6,227.05
Power	**688.86**	32.23
Others	**(4.62)**	-
Total	**194,238.53**	136,845.07

OPPORTUNITIES AND THREATS

With the lifestyles of the new-age consumer changing at a blistering pace, the technological landscape cannot stay far behind. Through the years, there have been lots of technical advances that have enhanced the consumer's everyday lives. The demand for technologically advanced home appliances has increased by leaps and bounds. Now-a-days, consumers are opting for innovative products that enhance and accommodate their lifestyle for personal well-being.

Opportunities: Consumer Electronics & Home Appliances Sector

- **Teleshopping and online shopping-** Today, in literal sense there are no boundaries for shopping. All the products are just a click away. Due to availability of teleshopping and online shopping method it has become easy to reach at the doorsteps of the consumers.
- **Knowledge and awareness-** Increased awareness and education about the consumer products and appliances contributing to rise in demand for the product. Environmental concerns of the consumers are driving manufacturers to device eco-friendly appliances using greener methods of production.
- **Advertising and branding-** Through constant hamper of advertisements there is easy availability of information at all levels of consumers.
- **Support from the Government-** Favourable judiciary policies also contribute for flourishing of an industry.
- **Influence of western countries-** Due to westernisation and easy availability of products the consumers are relying on home appliances.
- **Technological advancement-** Production of user friendly and technologically upgraded devices make such home appliances a need of the day and not luxury.
- **Easy availability of finance-** Credit schemes and funding plans make reduces the money burden on the consumers.

Threats: Consumer Electronics & Home Appliances Sector

- The volatility in prices of raw material remains a factor potentially jeopardizing the health of the project's business.
- Increase in competition from domestic as well as international players.
- Rising rates of interest, taxes and un-favorable government policies.
- Fluctuating and seasonal demand.
- Technological up gradation and advancement.

Opportunities and threats: Oil & Gas Sector

Rapid industrialisation is heading towards increase in demand in oil and gas section. Ample availability of these products is the need of time. There are many new opportunities to penetrate the market and find the niche in the industry of oil and gas section. At the same time the Companies have to cope up and balance the threats attached with this growth. Following are some of the opportunities and threats faced by the oil and gas sector-

Opportunities	Threats
Expansion through cross border tie ups	Increase in competition from foreign competitors
Increase in demand because of industrial development	Government Policies
Immergence of new and advance technologies	Excessive exploration and environment balance

OUTLOOK

With increasing per capita income and consumers considering electronics products a necessity rather than a luxury, volume and value sales in the forecast period are expected to witness strong growth. Also, the desire to keep up with growing consumerism regarding electronics will also be a primary driver behind the continued expansion of this industry in the long-term future. Your Company has plans to expand the consumer durables segment further, enhance brand imagery and product positioning and bring in more and more technology-heavy innovative products in the market.

Innovation is at the heart of every product that rolls out of the Company. The aim of the Company is to serve India by creating technologically path-breaking products through constant innovation and by understanding consumer needs. In turn, our innovations have constantly enriched people's lives and touched their hearts in every corner of India. The Company aims at delivering cutting-edge technology through our products which make consumers' lives simple and more convenient, giving them a delightful brand experience.

RISK & CONCERNS

The market for consumer electronics products and household appliances are highly competitive and the Company has experienced pressure on its prices and margins. The Company expects that technological advances and aggressive pricing strategies by competitors will intensify competition.

Risks: Consumer Electronics & Home Appliances Business:

- **Global economic environment**- Consumer industry in India is growing but is facing tough competition from new players. The Company will need to extend its demographics and offer value proposition to the customers to develop and grow in business further.
- **Currency fluctuation related risk**- The weakening of the Indian Rupee has impacted the cost of imports.
- **Pricing risks**- The pricing across our business is under risk due to competition. We have been providing and offering value added services and benefits to the customers to retain them. We are also investing towards brand building and awareness programme across our businesses to ensure adequate product differentiation.
- **Technological changes**- A substantial portion of Company's business depends on the sales of consumer electronics products. As new features and applications of electronic products are frequently introduced and can be significantly different from the ones they supersede, there is always risk to cope up with the volatile technological advancement.
- **Cross- border competition-** Customers increasingly want more from their appliances and manufacturers are working incredibly hard to differentiate themselves in a competitive market in terms of offering products that are easy to use and have innovative features, while maximizing their value.

Risks: - Oil and Gas Industry:

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

- **Cost containment**- At present, rising costs are being driven both by cyclical factors and the end of "easy oil."
- **Health, safety and environmental risks**- Health, safety and environmental issues have risen on the oil and gas industry's agenda, reflecting both increased public pressure and more complex operational challenges.
- **Uncertain energy policy-**Energy policy is in a continued state of flux in much key geography.
- **Competition from new technologies**- In addition to new technologies for exploration and production, the sector is impacted by broader technological advancements, such as alternative power generation and the electrification of energy delivery.
- **Price volatility-** The pricing of oil and gas is subject to variation and depends on a number of factors which are beyond our control.

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

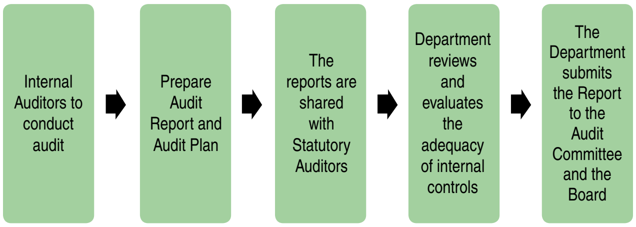
INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has an internal control system commensurate with its size and nature of business which provides for:-

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

The internal structure of the Company is a pyramid like structure where there is defined management hierarchy and reporting system. The well defined and standard reporting structure enables the management to reach to all the classes of employees. The composition and competencies of the audit team and effectiveness of internal controls is continuously reviewed by the Audit Committee.

The Company strives to maintain a dynamic system of internal controls and procedures. The system comprises audit and compliance by in house Internal Audit Department. The procedure followed is as under:



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

DISCUSSION ON FINANCIAL PERFORMANCE

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

Fixed Assets

The gross block of the Company as on 30th June, 2013, was ₹ 117,835.14 Million. The net block as on that date was ₹ 59,283.17 Million. During the period ended 30th June, 2013, there were additions to the gross block of fixed assets to the extent of ₹ 12,122.29 Million.

Income:

Sales

During the period under review, the Company achieved gross sales of ₹ 187,753.84 Million as against ₹ 129,194.70 Million for the year ended on 31st December, 2011.

Other Income

Other income for the period ended 30th June, 2013, amounted to ₹ 4,182.66 Million as against ₹ 1,063.12 Million for the year ended on 31st December, 2011. Other income comprises of income from investments and securities division, profit on sale of fixed assets, insurance claim received, interest and other non-operating income.

Expenditure

Cost of Goods Consumed/Sold

During the period under review, Cost of Goods Consumed stood at ₹ 115,200.20 Million as against ₹ 78,924.38 Million for the year ended on 31st December, 2011.

Production and Exploration Expenses for Oil and Gas

During the period under review, the Production and Exploration Expenses for Oil and Gas were ₹ 12,668.34 Million as against ₹ 9,007.76 Million for the year ended on 31st December, 2011.

Employee Benefits Expense

During the period under review, the Employee Benefits Expense stood at ₹ 3,979.94 Million as against ₹ 2,253.46 Million for the year ended on 31st December, 2011.

Other Expenses

During the period under review, the Other Expenses were ₹ 19,660.41 Million as against ₹ 13,792.49 Million for the year ended on 31st December, 2011.

Finance Costs

For the period ended 30th June, 2013, Finance Costs amounted to ₹ 27,148.18 Million as against ₹ 9,777.89 Million for the year ended on 31st December, 2011.

Depreciation and Amortisation

Depreciation for the period ended 30th June, 2013, amounted to ₹ 8,243.50 Million as against ₹ 6,075.64 Million for the year ended on 31st December, 2011.

Profit/Loss Before Tax

The Loss before Tax stood at ₹ 1,145.16 Million for the period ended 30th June, 2013, as against Profit Before Tax of ₹ 7,733.72 Million for the year ended on 31st December, 2011.

Tax Expenses

Tax Expenses includes Current Tax, Deferred Tax and Excess/ Short Provision of Income Tax for earlier years. For the period ended 30th June, 2013, Tax Expenses Credit ₹ 428.84 Million as against Tax Expenses of ₹ 2,334.61 Million for the year ended on 31st December, 2011.

Net Profit/Loss

Net Loss for the period ended 30th June, 2013, amounted to ₹ 716.32 Million as against a Net Profit of ₹ 5,399.11 Million for the year ended 31st December, 2011.

MATERIAL DEVELOPMENTS ON HUMAN RESOURCE

The Company continues its efforts of providing a high level of global orientation and working experience to a large number of managers by deputing them in international assignments, participation in workshops/seminars/forums, identifying and developing high potential managers through Management Development Programs etc. The Company encourages its employees to priorities between work and a satisfying, enriching life. Based on the results of an Employee Happiness Survey, the Company focused on improvements in the area of training and development of employees. Significant efforts and measures have been taken to integrate more women in the organization and to create an inclusive environment for them.

Talent management, leadership development and succession planning are the major focus areas for the Company. The individual business units have been focusing on acquiring and retaining the talent with requisite competencies. Specific high impact programmes are being conducted for leadership development such as training sessions, educational seminars in the areas of strategic skills, leadership development, managerial effectiveness, sales and service skills and other disciplines.

The core principles enshrined in the Human Resources Policy of the Company are:

- Equality of opportunity;
- Continuing personal development;
- Fairness;
- Mutual trust; and
- Teamwork.

The Company conducts employee engagement surveys through expert agencies to identify areas to improve upon for building a motivated and productive workforce.

The total staff strength of the Company as at financial period ended 30th June, 2013, is around 4,500.

Industrial relations remained cordial during the period under review.

CAUTIONARY STATEMENT

Statements in this report describe the Company's objectives, projections, estimates, expectations and predictions, may be 'forward looking statements' within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

AUDITORS' REPORT

To,

The Members of

VIDEOCON INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of **VIDEOCON INDUSTRIES LIMITED** (the Company), as at 30th June, 2013, Statement of Profit and Loss and also the Cash Flow Statement of the Company for the 18 months period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, on the basis of such checks as considered appropriate and according to the information and explanations given to us during the course of the audit, we give in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books. Proper returns adequate for the purpose of our audit have been received from branches not visited by us. The branch Auditors Reports have been forwarded to us and have been appropriately dealt with;

   c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns from the foreign branches;

   d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013, in terms of General Circular 15/2013 dated 13th September, 2013, of the Ministry of Corporate Affairs);

   e) On the basis of written representations received from the directors as on 30th June, 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th June, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956;

   f) *As mentioned in Note No. 37, to the financial statements, the Company has, directly and through its subsidiaries, made investments of ₹ 49,337.50 Million and advanced loans of ₹ 782.74 Million to Videocon Telecommunications Limited (VTL), the subsidiary. VTL had been awarded licenses by the Department of Telecommunications (DoT) to provide Unified Access Service (UAS) in 21 circles in India w.e.f. 25th January, 2008, which were valid for 20 years. VTL had also been allotted spectrum in 20 circles and had launched its commercial operations in 17 circles.*

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

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

   VTL has been continuously incurring losses and has huge accumulated losses as at 30th June, 2013. The ability of VTL to continue as a going concern is substantially dependent on its ability to fund its operating and capital funding requirements. VTL is confident of mobilizing the necessary resources for continuing its operations as per the business plan.

   However, in view of the accumulated losses of VTL, we are unable to express an opinion on the extent of realisability of aforesaid investments in and advances to VTL. The consequential effect of the above on assets and liabilities as at 30th June, 2013 and the loss for the period ended on that date is not ascertainable.

   g) Without qualifying our report we draw attention to Note No. 38(A), to the financial statements, regarding incorporation of the Company's share, in the operations of the joint ventures based on the statements received from the respective Operator. The Company has received the audited financial statements for the period upto 31st March, 2013 and un-audited financial statements for the period 1st April, 2013 to 30th June, 2013, in respect of Ravva Oil & Gas Field Joint Venture on which we have placed reliance.

   h) In our opinion and to the best of our information and according to explanations given to us, the said financial statements *subject to our comment in paragraph (f) above, the impact of which on the financial statements of the Company, if any, is unascertainable* and read together with the Significant Accounting Policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 30th June, 2013;

      (ii) In the case of the Statement of Profit and Loss, of the loss for the period ended on that date; and

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

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

SHIVRATAN AGARWAL
Partner
Membership No.:104180

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

U. S. KADAM
Partner
Membership No.:31055

Place : Mumbai
Date : 29th November, 2013

ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph 3 of the Auditors' Report of even date to the Members of **VIDEOCON INDUSTRIES LIMITED** (the Company) on the financial statements for the period ended 30th June, 2013.

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As per the information and explanations given to us, physical verification of fixed assets, other than those under joint venture, has been carried out at reasonable intervals in terms of the phased programme of verification adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company and the nature of its business.

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

(ii) (a) As per the information and explanations given to us, the inventories (excluding stock of crude oil lying at extraction site with the Operator) have been physically verified during the period by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. As per the information and explanations given to us, the discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.

(iii) (a) As per the information and explanations given to us, the Company has not granted or taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(b) As the Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, sub-clauses (b), (c), (d), (f) and (g) of Clause (iii) of paragraph 4 of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sales of goods and services. During the course of our audit, we have not observed any continuing failure to correct the major weakness in the internal control systems.

(v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that Section.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and exceeding the value of Rupees Five Lakhs, in respect of any party during the period, have been made at prices which are reasonable having regard to prevailing market price at the relevant time.

(vi) The Company has not accepted any deposits from the public within the meaning of the provisions of Section 58A and 58AA or any other relevant provision of the Companies Act, 1956 and rules framed there under.

(vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

(viii) The Central Government has prescribed maintenance of the cost records under Section 209(1)(d) of the Companies Act, 1956, in respect of the Company's products. As per the information and explanations provided to us, we are of the opinion that *prima facie*, the prescribed records have been made and maintained. We have however not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(ix) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 30th June, 2013, for a period of more than six months from the date they became payable.

(b) According to the records of the Company examined by us and information and explanations given to us, the particulars of dues of Sales tax, Income tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess which have not been deposited on account of any disputes, are given below:

Name of the Statute	Nature of Dues	₹ in Million	Forum where dispute is pending
1. Customs Act, 1962	Custom Duty and Penalties	315.31	Supreme Court
		15.15	High Court
		50.24	CESTAT
		4.37	Commissioner (Appeals)
		72.46	Commissioner
		15.49	Joint Commissioner
		18.28	Deputy Commissioner
		7.75	Asst. Commissioner
2. Central Excise Act, 1944	Excise Duty and Penalties	1.11	Supreme Court
		27.81	High Court
		449.34	CESTAT
		3.61	Tribunal
		0.96	Commissioner (Appeals)
		338.93	Commissioner
		25.50	Addl. Commissioner
		0.85	Deputy Commissioner
		110.46	Asst. Commissioner
3. Finance Act, 1994 (Service Tax Provisions)	Service Tax and Penalties	24.68	CESTAT
		0.52	Commissioner (Appeals)
		14.09	Commissioner
		1.94	Addl. Commissioner
		4.18	Asst. Commissioner
		0.11	Superintendent

Name of Statute	Nature of Dues	₹ in Million	Forum where dispute is pending
4. Central Sales Tax Act, 1956 and State Sales Tax Acts of various States	Sales Tax	0.46	Supreme Court
		0.85	High Court
		18.98	Tribunal
		10.30	Commissioner
		100.44	Sr. Joint Commissioner
		154.68	Joint Commissioner – Sales Tax (Appeals)
		18.58	Joint Commissioner – Commercial Tax
		0.72	Joint Commissioner
		17.13	Joint Commissioner (Appeals)
		0.24	Addl. E&T Commissioner
		4.19	Deputy Commissioner (Appeals)
		0.68	Deputy Commissioner
		389.09	Addl. Commissioner
		1.50	Addl. Commissioner (Appeals)
		9.53	Deputy Commissioner of Commercial Tax
		15.05	Asst. Commissioner (Appeals)
		11.34	Asst. Commissioner of Commercial Tax
		0.27	Asst. Commercial Taxation Officer
		0.39	Sales Tax Officer/Commercial Taxation Officer
5. Income Tax Act, 1961	Income Tax	155.23	High Court
		209.36	Appellate Tribunal
		2,784.82	Commissioner (Appeals)
6. Navi Mumbai Municipal Corporation	Cess	1,012.64	High Court

(x) There are no accumulated losses as at 30th June, 2013. The Company has not incurred any cash losses during the period covered by our audit and the immediately preceding financial year.

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

Particulars	₹ in Million	Delay in Days
Principal Repayment	20,731.85	1 to 89 Days
Interest	19,515.97	1 to 89 Days

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

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

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

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

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

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

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

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

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

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

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

SHIVRATAN AGARWAL
Partner
Membership No.:104180

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

U. S. KADAM
Partner
Membership No.:31055

Place : Mumbai
Date : 29th November, 2013

BALANCE SHEET AS AT 30TH JUNE, 2013

(₹ in Million)

Particulars	Note No.	As at 30th June, 2013	As at 31st Dec., 2011
I. EQUITY AND LIABILITIES			
1) Shareholders' Funds			
a) Share Capital	2	**3,340.94**	3,339.36
b) Reserves and Surplus	3	**97,839.04**	96,190.40
		101,179.98	99,529.76
2) Non-Current Liabilities			
a) Long Term Borrowings	4	**161,449.86**	60,816.22
b) Deferred Tax Liability (Net)	5	**7,076.96**	7,351.21
c) Long Term Provisions	6	**1,473.89**	1,274.62
		170,000.71	69,442.05
3) Current Liabilities			
a) Short Term Borrowings	7	**57,527.27**	77,567.71
b) Trade Payables	8	**11,412.84**	11,726.55
c) Other Current Liabilities	9	**28,223.93**	60,418.00
d) Short Term Provisions	10	**946.85**	873.92
		98,110.89	150,586.18
TOTAL		**369,291.58**	319,557.99
II. ASSETS			
1) Non-Current Assets			
a) Fixed Assets	11		
i) Tangible Assets		**58,825.01**	55,030.45
ii) Intangible Assets		**458.16**	820.11
iii) Capital work-in-progress		**6,674.55**	7,165.07
b) Non-Current Investments	12	**49,327.79**	47,228.99
c) Long Term Loans and Advances	13	**74,741.53**	55,088.18
		190,027.04	165,332.80
2) Current Assets			
a) Current Investments	14	**41.63**	208.11
b) Inventories	15	**21,578.97**	20,807.09
c) Trade Receivables	16	**28,327.00**	27,504.42
d) Cash and Bank Balances	17	**4,858.26**	5,045.46
e) Short Term Loans and Advances	18	**123,663.13**	99,761.49
f) Other Current Assets	19	**795.55**	898.62
		179,264.54	154,225.19
TOTAL		**369,291.58**	319,557.99
Significant Accounting Policies	1		
Notes forming part of the Financial Statements	2 to 47		

As per our report of even date

For and on behalf of the Board

For KHANDELWAL JAIN & CO.
Chartered Accountants

For KADAM & CO.
Chartered Accountants

V. N. DHOOT
Chairman and Managing Director

SHIVRATAN AGARWAL
Partner
Membership No. 104180

U. S. KADAM
Partner
Membership No. 31055

VINOD KUMAR BOHRA
Company Secretary

S. PADMANABHAN
Director

Place : Mumbai
Date : 29th November, 2013

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD 1ST JANUARY, 2012 TO 30TH JUNE, 2013

(₹ in Million)

	Particulars	Note No.	Period ended 30th June, 2013	Year ended 31st Dec., 2011
I.	**INCOME**			
	Revenue from Operations	20	**187,753.84**	129,194.70
	Less: Excise Duty		**6,181.09**	2,692.48
	Net Revenue from Operations		**181,572.75**	126,502.22
	Other Income	21	**4,182.66**	1,063.12
	Total Income		**185,755.41**	127,565.34
II.	**EXPENSES**			
	Cost of Materials Consumed	22	**56,643.70**	40,562.96
	Purchase of Stock-in-Trade	23	**59,133.82**	38,501.83
	Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	24	**(577.32)**	(140.41)
	Production and Exploration Expenses - Oil and Gas	25	**12,668.34**	9,007.76
	Employee Benefits Expense	26	**3,979.94**	2,253.46
	Finance Costs	27	**27,148.18**	9,777.89
	Depreciation and Amortisation	11	**8,243.50**	6,075.64
	Other Expenses	28	**19,660.41**	13,792.49
	Total Expenses		**186,900.57**	119,831.62
III.	**Profit/(Loss) Before Tax**		**(1,145.16)**	7,733.72
IV.	**Tax Expenses**			
	Current Tax		**-**	1,296.54
	Deferred Tax		**(274.25)**	981.60
	(Excess)/Short Provision of Income Tax for earlier years		**(154.59)**	56.47
V.	**Profit/(Loss) for the Period**		**(716.32)**	5,399.11
VI.	**Earnings per Equity Share of face value ₹ 10/- each**	29		
	Basic and Diluted		**(2.38)**	17.73
	Significant Accounting Policies	1		
	Notes forming part of the Financial Statements	2 to 47		

As per our report of even date

For and on behalf of the Board

For KHANDELWAL JAIN & CO.
Chartered Accountants

For KADAM & CO.
Chartered Accountants

V. N. DHOOT
Chairman and Managing Director

SHIVRATAN AGARWAL
Partner
Membership No. 104180

U. S. KADAM
Partner
Membership No. 31055

VINOD KUMAR BOHRA
Company Secretary

S. PADMANABHAN
Director

Place : Mumbai
Date : 29th November, 2013

CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 30TH JUNE, 2013

(₹ in Million)

	Particulars		Period ended on 30th June, 2013	Year ended on 31st Dec., 2011
A.	CASH FLOW FROM OPERATING ACTIVITIES			
	Profit/(Loss) before Tax		**(1,145.16)**	7,733.72
	Adjustments for:			
	Depreciation and Amortisation		**8,243.50**	6,075.64
	Finance Costs		**27,148.18**	9,777.89
	Provision for Warranty and Maintenance Expenses		**21.09**	(6.36)
	Provision for Gratuity		**64.64**	15.30
	Provision for Leave Encashment		**10.38**	(2.73)
	Provision for Abandonment and Site Restoration Costs		**135.65**	187.97
	Provision for Doubtful Debts		**91.27**	40.74
	Interest Received		**(491.40)**	(487.06)
	Diminution/(Write back) in Value of Investments		**(1.73)**	180.82
	Income from Investments and Securities Division		**(43.82)**	(279.70)
	Profit on Sale of Fixed Assets		**(637.11)**	(178.94)
	Operating Profit before Working Capital Changes		**33,395.49**	23,057.29
	Adjustments for:			
	Inventories		**(771.88)**	(405.71)
	Trade Receivables		**(913.85)**	(1,071.86)
	Loans and Advances		**(43,420.99)**	(87,305.99)
	Other Current Assets		**103.07**	(343.38)
	Trade Payables		**(313.71)**	5,252.42
	Other Current Liabilities		**5,107.96**	10,553.78
	Cash generated from/(used in) Operations		**(6,813.91)**	(50,263.45)
	Less: Taxes Paid/(Refund)-net		**(20.59)**	1,334.33
	Net Cash from/(used in) Operating Activities	**(A)**	**(6,793.32)**	(51,597.78)
B.	CASH FLOW FROM INVESTING ACTIVITIES			
	Sale of Fixed Assets		**1,083.29**	1,282.14
	Purchase of Fixed Assets (Including Capital Work-in-Progress)		**(11,631.77)**	(12,284.38)
	Interest Received		**491.40**	487.06
	(Increase) in Fixed Deposits and Other Bank Balances		**306.17**	5,288.36
	(Purchase)/Sale of Investments (Net)		**4,127.85**	(3,842.66)
	(Increase) in Investments in Subsidiaries (Net)		**(6,058.44)**	(1,095.63)
	Income from Investments and Securities Division		**43.82**	279.70
	Net Cash from/(used in) Investing Activities	**(B)**	**(11,637.68)**	(9,885.41)
C.	CASH FLOW FROM FINANCING ACTIVITIES			
	Increase in Equity Share Capital		**157.53**	10.63
	(Decrease) in Preference Share Capital		**(155.95)**	(150.84)
	Share Premium Received		**2,642.80**	243.88
	Increase in Long Term Borrowings		**63,349.70**	26,894.13
	Increase/(Decrease) in Short Term Borrowings		**(20,040.44)**	42,975.04
	Redemption Premium paid on Foreign Currency Convertible Bonds		**-**	(1,133.67)
	Finance Costs		**(27,148.18)**	(9,777.89)
	Payment of Dividend		**(211.25)**	(350.55)
	Tax on Dividend		**(31.33)**	(57.81)
	Share Issue Expenses		**(12.91)**	(0.25)
	Net Cash from/(used in) Financing Activities	**(C)**	**18,549.97**	58,652.67
	Net Change in Cash and Cash Equivalents	**(A+B+C)**	**118.97**	(2,830.52)
	Cash and Cash Equivalents at beginning of the period		**1,150.82**	3,981.34
	Cash and Cash Equivalents at end of the period		**1,269.79**	1,150.82
	Other Bank Balances		**3,588.47**	3,894.64
	Cash and Bank Balances at the end of the period (Note No. 17)		**4,858.26**	5,045.46

As per our report of even date

For and on behalf of the Board

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No. 104180

For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner
Membership No. 31055

VINOD KUMAR BOHRA
Company Secretary

V. N. DHOOT
Chairman and Managing Director

S. PADMANABHAN
Director

Place : Mumbai
Date : 29th November, 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

A) Basis of Accounting

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

b) Use of Estimates

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

B) Fixed Assets/Capital Work in Progress

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

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

C) Joint Ventures for Oil and Gas Fields

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

D) Exploration, Development Costs and Producing Properties

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

E) Abandonment Costs

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

F) Depreciation, Amortisation and Depletion

The Company provides depreciation on fixed assets held in India on written down value method in the manner and at the rates specified in the Schedule XIV to the Companies Act, 1956, except, a) on Fixed Assets of Consumer Electronics Divisions other than Glass Shell Division and; b) on office buildings acquired after 1st April, 2000, on which depreciation is provided on straight line method at the rates specified in the said Schedule or based on useful life of assets whichever is higher. Depreciation on fixed assets held outside India is provided on straight line method at the rates prescribed in the aforesaid Schedule or based on useful life of assets whichever is higher. Producing Properties are depleted using the "Unit of Production Method". The rate of depletion is computed in proportion of oil and gas production achieved vis-a-vis proved reserves. Leasehold Land is amortised over the period of lease.

Intangible Assets are amortised over a period of five years.

G) Impairment of Assets

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

H) Investments

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

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

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

I) Inventories

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

J) Borrowing Costs

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

K) Excise and Customs Duty

Excise Duty in respect of finished goods lying in the factory premises and Customs Duty on goods lying in customs 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

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

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

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, respectively, of the accounting year.

c) Fixed assets are translated at the exchange rate as on the date of the transaction. Depreciation on fixed assets is translated at the rates used for translation of the value of the assets to which it relates.

d) Other current assets and current liabilities are translated at the closing rate.

P) Employee Benefits

a) Short Term Employees Benefits

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

b) Post Employment Benefits

i) Provident Fund - Defined Contribution Plan

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

ii) Gratuity - Defined Benefit Plan

The Company provides for gratuity to all the eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or termination of employment for an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs on completion of five years of service. Liability in respect of gratuity is determined using the projected unit credit method with actuarial valuations as on the Balance Sheet date and gains/losses are recognized immediately in the Statement of Profit and Loss.

iii) Leave Encashment

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

Q) Taxation

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

R) Share Issue Expenses

Share issue expenses are written off to Securities Premium Account.

S) Premium on Redemption of Bonds/Debentures

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

T) Research and Development

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

U) Accounting for Leases

Where the Company is lessee:

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

b) Finance Leases:

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

ii) Assets acquired on or after 1st April, 2001, under finance lease or similar arrangements which effectively transfer to the Company, substantially all the risks and benefits incidental to ownership of the leased items, are capitalised at the lower of their fair value and present value of the minimum lease payments and are disclosed as leased assets.

V) Warranty

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

W) Provisions, Contingent Liabilities and Contingent Assets

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

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

Contingent assets are not recognised in the financial statements.

X) Prior period items

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

Y) Other Accounting Policies

These are consistent with the generally accepted accounting principles.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(₹ in Million)

2. SHARE CAPITAL		As at 30th June, 2013	As at 31st Dec., 2011
Authorised:			
500,000,000 (Previous year 500,000,000) Equity Shares of ₹ 10/- each		**5,000.00**	5,000.00
10,000,000 (Previous year 10,000,000) Redeemable Preference Shares of ₹ 100/- each		**1,000.00**	1,000.00
	Total	**6,000.00**	6,000.00
Issued, Subscribed and Paid-up:			
Equity Shares			
318,771,669 (Previous year 303,021,669) Equity Shares of ₹ 10/- each fully paid-up.		**3,187.72**	3,030.22
Less: Calls in Arrears - by others		**0.08**	0.11
	(a)	**3,187.64**	3,030.11
Preference Shares			
i) 4,523,990 (Previous year 4,523,990) 8% Cumulative Redeemable Preference Shares of ₹ 33.32 each (Previous year ₹ 66.66 each) fully paid-up, redeemable at par on 1st October, 2013 .		**150.74**	301.56
ii) 76,870 (Previous year 76,870) 8% Cumulative Redeemable Preference Shares of ₹ 33.34 each (Previous year ₹ 100/- each) fully paid-up, redeemable at par on 1st February, 2014.		**2.56**	7.69
	(b)	**153.30**	309.25
	Total (a+b)	**3,340.94**	3,339.36

2.1 Reconciliation of the Number of Shares:

	As at 30th June, 2013		As at 31st Dec., 2011	
	No. of Shares	**₹ in Million**	No. of Shares	₹ in Million
a) Equity Shares of ₹ 10/- each				
Outstanding at the beginning of the period	**303,021,669**	**3,030.22**	301,963,634	3,019.64
Issued during the period	**15,750,000**	**157.50**	1,058,035	10.58
Outstanding at the end of the period	**318,771,669**	**3,187.72**	303,021,669	3,030.22
b) 8% Cumulative Redeemable Preference Shares of ₹ 33.32 each (Previous year ₹ 66.66 each)				
Outstanding at the beginning of the period	**4,523,990**	**301.56**	4,523,990	452.40
Redeemed during the period	**-**	**150.82**	-	150.84
Outstanding at the end of the period	**4,523,990**	**150.74**	4,523,990	301.56
c) 8% Cumulative Redeemable Preference Shares of ₹ 33.34 each (Previous year ₹ 100/- each)				
Outstanding at the beginning of the period	**76,870**	**7.69**	76,870	7.69
Redeemed during the period	**-**	**5.13**	-	-
Outstanding at the end of the period	**76,870**	**2.56**	76,870	7.69

2.2 Rights, Preference and Restrictions:

a) 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.

b) 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.

c) The Preference Shares do not have voting rights. They have preference over equity shareholder as to dividend and in case of liquidation.

2.3 Details of Shareholders holding more than 5% Shares:

Name of Shareholders	As at 30th June, 2013		As at 31st Dec., 2011	
	No. of Shares	**% of Holding**	No. of Shares	% of Holding
a) Equity Shareholders				
a) Dome-Bell Electronics India Private Limited	**19,741,049**	**6.19**	19,067,113	6.29
b) Platinum Appliances Private Limited	**15,604,666**	**4.90**	15,604,666	5.15
c) Shree Dhoot Trading And Agencies Limited	**28,404,836**	**8.91**	26,015,207	8.59
d) Synergy Appliances Private Limited	**16,010,575**	**5.02**	16,010,575	5.28
e) Videocon Realty and Infrastructures Limited	**63,570,518**	**19.94**	63,566,495	20.98
b) 8% Cumulative Redeemable Preference Shares of ₹ 33.32 each (Previous year ₹ 66.66 each)				
a) LIC of India Limited	**441,990**	**9.77**	441,990	9.77
b) IDBI Bank Limited	**4,082,000**	**90.23**	4,082,000	90.23
c) 8% Cumulative Redeemable Preference Shares of ₹ 33.34 each (Previous year ₹ 100/- each)				
General Insurance Corporation of India Limited	**76,870**	**100.00**	76,870	100.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(₹ in Million)

3. RESERVES AND SURPLUS		As at 30th June, 2013	As at 31st Dec., 2011
a) Capital Reserve (including Capital Subsidy)			
As per last Balance Sheet		**9.75**	9.75
	(a)	**9.75**	9.75
b) Capital Redemption Reserve			
As per last Balance Sheet		**688.33**	537.50
Add: Transferred from Surplus in the Statement of Profit and Loss		**155.96**	150.83
	(b)	**844.29**	688.33
c) Securities Premium Account			
As per last Balance Sheet		**43,559.42**	43,403.87
Add: Received during the year		**2,642.09**	242.85
Less: Share Issue Expenses		**12.91**	0.25
Less: Premium payable on Redemption of Convertible Bonds		**-**	87.05
		46,188.60	43,559.42
Less: Calls in Arrears - by others		**1.59**	2.30
	(c)	**46,187.01**	43,557.12
d) Bond/Debenture Redemption Reserve			
As per last Balance Sheet		**1,053.17**	3,029.64
Add/(Less): Transferred from/(to) Surplus in the Statement of Profit and Loss		**1,909.34**	(1,976.47)
	(d)	**2,962.51**	1,053.17
e) General Reserve			
As per last Balance Sheet		**16,201.48**	15,201.48
Add: Transferred from Surplus in the Statement of Profit and Loss		**300.00**	1,000.00
	(e)	**16,501.48**	16,201.48
f) Surplus in the Statement of Profit and Loss			
As per last Balance Sheet		**34,680.55**	28,680.29
Add: Profit/(Loss) for the period		**(716.32)**	5,399.11
Add: Transferred from Bond/Debenture Redemption Reserve		**-**	1,976.47
Balance available for Appropriations		**33,964.23**	36,055.87
Less: Appropriations			
Transfer to Capital Redemption Reserve		**155.96**	150.83
Transfer to Bond/Debenture Redemption Reserve		**1,909.34**	-
Transfer to General Reserve		**300.00**	1,000.00
Proposed Dividend - Equity Shares		**198.77**	159.39
Proposed Dividend - Preference Shares		**27.68**	33.77
Tax on Proposed Dividend		**38.48**	31.33
	(f)	**31,334.00**	34,680.55
	Total (a to f)	**97,839.04**	96,190.40

(₹ in Million)

4. LONG-TERM BORROWINGS		As at 30th June, 2013		As at 31st Dec., 2011	
		Non-Current	Current	Non-Current	Current
a) Secured					
Non-Convertible Debentures		**-**	**-**	-	21.60
Term Loans					
i) Rupee Term Loans from Banks		**140,291.04**	**7,263.32**	40,868.44	15,207.16
ii) Rupee Term Loans from Financial Institutions		**9,338.05**	**900.48**	1,421.56	983.59
iii) External Commercial Borrowings		**-**	**589.41**	1,164.44	1,541.58
iv) Vehicle Loan from Banks		**151.79**	**130.35**	147.18	75.48
	(a)	**149,780.88**	**8,883.56**	43,601.62	17,829.41
b) Unsecured					
Rupee Loans from Banks		**-**	**2,000.00**	6,749.94	30,331.36
Foreign Currency Convertible Bonds		**11,652.34**	**-**	10,423.73	-
Sales Tax Deferral		**16.64**	**8.78**	40.93	15.51
	(b)	**11,668.98**	**2,008.78**	17,214.60	30,346.87
	Total (a+b)	**161,449.86**	**10,892.34**	60,816.22	48,176.28

4.1 Secured Loans:

a) Rupee Term Loans from Banks and Financial Institutions:

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

Loans amounting to ₹ 144,178.53 Million are secured by first *pari-passu* charge on all present and future tangible/intangible assets (excluding the Identified Properties) of each of the Borrower, first *pari-passu* charge on the Trust and Retention Accounts of the Borrowers, second *pari-passu* charge on Identified Assets of Videocon Hydrocarbon Holdings Limited's (VHHL) subsidiaries through pledge of entire shareholding of VHHL in these overseas subsidiaries, second charge on pledge of 100% shares of Videocon Oil Ventures Limited and VHHL, second *pari-passu* charge on VHHL's share of cash flows from Identified Assets and second *pari-passu* charge over current assets of each of the Borrowers. The Rupee Term Loans are also secured by first ranking pledge by the promoters over equity shares of Videocon Industries Limited, Trend Electronics Limited and Value Industries Limited held by them, the personal guarantees of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot, Mr. Rajkumar N. Dhoot and first *pari-passu* charge on 'Videocon' brand. However, charge has not been created in favor of such Consortium of banks (A) for the credit facility to the Obligors on the assets by way of pledge of shares of the subsidiaries viz. Videocon Mauritius Energy Limited and Videocon Mozambique Rovuma 1 Limited, which have been pledged to Standard Chartered Bank for the loans avalied by VHHL; (B) for any other receivables from Videocon Mozambique Rovuma 1 Limited; and (C) on any assets of Videocon Mozambique Rovuma 1 Limited. (Also refer Note No. 35)

ii) Loans amounting to ₹ 2,250.00 Million is secured by subservient charge on entire movables and current assets, both present and future of the Company and 12 other borrowers except for the assets of Ravva Oil Field. The loans are further secured by subservient charge on 'Videocon' and 'Kenstar' brands and irrevocable and unconditional personal guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

iii) Loans amounting to ₹ 1,200.00 Million is secured by first *pari-passu* charge over the fixed assets situated at Bharuch and Aurangabad, both present and future.

iv) Loans amounting to ₹ 9,583.33 Million are secured by Equitable Mortgage on *pari-passu* basis on immovable property situated at Videocon Tower, New Delhi and immovable property including land, building and machinery situated at Village Manjra, Warora, Dist. Chandrapur. The loans are further 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.

v) Loans amounting to ₹ 581.03 Million is secured by mortgage of immovable assets and first charge on movable assets, cash flows and intangible assets pertaining to the 5.75 MW Multi Crystalline Silicon Photovoltaic Technology Project at Warora.

Some of the loans are also secured by pledge of certain investments of the Company.

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

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

4.2 Unsecured Loans:

a) Unsecured Rupee Loans from Banks are guaranteed by Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

b) The Company had, during the year 2010, issued 2,000 Foreign Currency Convertible Bonds of US$ 100,000 each (Bonds) due on 16th December, 2015, out of which 1,944 (Previous year 1,944) Bonds are outstanding.

i) The Bonds are convertible at the option of the bondholders at any time on or after 25th January, 2011 to 7 days before maturity date i.e. 16th December, 2015, at a fixed exchange rate of ₹ 45.255 per 1 US$ and at initial conversion price of ₹ 239.5265 per share being at premium of 3% over reference share price. The conversion price will be subject to adjustment for, among other things, subdivision or consolidation of shares, rights issues, capital distributions, stock dividends and other dilutive events.

ii) The Bonds are redeemable in whole but not in part at the option of the Company on or after 15th December, 2013, if the closing price of shares for each of the 30 consecutive trading days prior to the date on which notice of such redemption is given was at least 130% of the conversion price.

iii) The Bonds are redeemable at maturity date i.e. on 16th December, 2015, at its principal amount, if not redeemed or converted earlier.

c) The Company has availed interest free Sales Tax Deferral under Special Incentive to Prestigious Unit (Modified) Scheme. Out of total outstanding, ₹ 8.78 Million is repayable in FY 2013-14, ₹ 12.48 Million is repayable in FY 2014-15 and balance amount of ₹ 4.16 million is repayable in FY 2015-16.

(₹ in Million)

4.3 Maturity Profile of Secured Loans:	**Rupee Loans from Banks**	**Rupee Loans from Financial Institutions**	**Vehicle Loan from Banks**
Financial Year 2014-15	5,461.27	584.56	84.46
Financial Year 2015-16	4,340.74	169.49	58.22
Financial Year 2016-17	3,437.01	268.16	9.11
Financial Year 2017-18	7,844.01	430.59	-
Financial Year 2018-19	22,539.55	1,229.75	-
Financial Year 2019-20	34,370.11	2,186.00	-
Financial Year 2020-21	34,425.11	2,186.00	-
Financial Year 2021-22	26,418.31	1,931.00	-
Financial Year 2022-23	1,454.93	337.25	-
Financial Year 2023-24	-	15.25	-

4.4 The Company has made certain defaults in repayment of long term loans and interest. The details of continuing defaults as at 30th June, 2013, are as follows:

(₹ in Million)

Particulars	Period of Delays		
	1 Day	2 to 31 Days	32 to 68 Days
Principal amount of Term Loans	656.63	416.67	2,150.00
Interest on Term Loans	439.27	1,470.56	1,355.64

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(₹ in Million)

		As at 30th June, 2013	As at 31st Dec., 2011
5. DEFERRED TAX LIABILITY (Net)			
a) Deferred Tax Liability			
Related to Depreciation and Amortisation on Fixed Assets		**8,190.78**	7,875.11
	(a)	**8,190.78**	7,875.11
b) Deferred Tax Assets			
i) Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961		**128.21**	64.02
ii) Carried Forward Losses		**792.87**	-
iii) Others		**192.74**	459.88
	(b)	**1,113.82**	523.90
Net Deferred Tax Liability	**(a-b)**	**7,076.96**	7,351.21
6. LONG-TERM PROVISIONS			
Provision for Gratuity (Refer Note No. 32B)		**145.12**	91.09
Provision for Leave Encashment (Refer Note No. 32B)		**49.26**	39.67
Provision for Abandonment and Site Restoration Costs		**1,279.51**	1,143.86
	Total	**1,473.89**	1,274.62
7. SHORT-TERM BORROWINGS			
Secured			
Loan from Banks		**20,500.00**	27,573.50
Working Capital Loans from Banks		**15,476.39**	9,351.89
	(a)	**35,976.39**	36,925.39
Unsecured			
Loan from Banks		**7,620.83**	40,642.32
Loan from Others		**13,930.05**	-
	(b)	**21,550.88**	40,642.32
	Total (a+b)	**57,527.27**	77,567.71

7.1 Secured Loans

a) Short Term Loans from Banks

i) Loans amounting to ₹ 15,000.00 Million are secured by subservient charge on entire movables and current assets, both present and future of the Company and 12 other borrowers except for the assets of Ravva Oil Field. The loans are further secured by subservient charge on 'Videocon' and 'Kenstar' brands and irrevocable and unconditional personal guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

ii) Loans amounting to ₹ 2,500.00 Million is secured by mortgage of properties owned by the Company and owned by others. The loan is further secured by personal guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

iii) For security of loans amounting to ₹ 3,000.00 Million Refer Note No. 4.1 (a) (i).

b) Working Capital Loans from Banks are secured by hypothecation of the Company's stock of raw materials, packing materials, stock-in-process, finished goods, stores and spares, book debts of Glass Shell Division only and personal guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

7.2 Unsecured Loans

Unsecured Loans from Banks are secured by personal guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot and loans amounting to ₹ 5,000.00 Million are further secured by mortgage of properties owned by others situated at Ahmedabad, Aurangabad and Mumbai.

7.3 The Company has made certain defaults in repayment of short term loans and interest. The details of continuing defaults as at 30th June, 2013, are as follows:

(₹ in Million)

Particulars	Period of Delays		
	1 Day	2 to 31 Days	32 to 61 Days
Principal amount of Loans	-	1,350.00	-
Interest on Loans	17.05	271.76	220.60

(₹ in Million)

8. TRADE PAYABLES		As at 30th June, 2013	As at 31st Dec., 2011
Micro, Small and Medium Enterprises		**79.93**	4.61
Others		**11,332.91**	11,721.94
	Total	**11,412.84**	11,726.55

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(₹ in Million)

8.1 Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 :	As at 30th June, 2013	As at 31st Dec., 2011
a) Principle amount remaining unpaid as at the end of the year	**79.93**	4.61
b) Interest due thereon as at the end of the year	**0.16**	0.21
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 year	**2.80**	-
d) Interest due and payable for the period of delay in making payment	**0.16**	0.21
e) Interest accrued and remaining unpaid at the end of the year	**0.16**	0.21
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.

(₹ in Million)

9. OTHER CURRENT LIABILITIES	As at 30th June, 2013	As at 31st Dec., 2011
Current maturities of Long-term Borrowings (Refer Note No. 4)	**10,892.34**	48,176.28
Bank Overdraft as per books	**106.14**	81.43
Interest accrued but not due on Borrowings	**1,878.05**	372.43
Interest accrued and due on Borrowings	**3,774.88**	-
Unclaimed Dividend	**10.44**	28.53
Creditors for Capital Expenditure	**8,628.35**	8,278.61
Payable to Related Parties	**9.87**	81.69
Other Payables	**2,923.86**	3,399.03
Total	**28,223.93**	60,418.00

10. SHORT-TERM PROVISIONS		
Proposed Dividend - Equity Shares	**198.77**	159.39
Proposed Dividend - Preference Shares	**27.68**	33.77
Provision for Tax on Dividend	**38.48**	31.33
Provision for Warranty and Maintenance Expenses (Refer Note No. 31)	**653.24**	632.15
Provision for Gratuity (Refer Note No. 32B)	**23.27**	12.66
Provision for Leave Encashment (Refer Note No. 32B)	**5.41**	4.62
Total	**946.85**	873.92

11. FIXED ASSETS

(₹ in Million)

	Particulars	Gross Block				Depreciation/Amortisation/Impairment				Net Block	
		As at 31st Dec., 2011	Additions	Deductions/ Adjustments	As at 30th June, 2013	As at 31st Dec., 2011	For the period	Deductions/ Adjustments	As at 30th June, 2013	As at 30th June, 2013	As at 31st Dec., 2011
i)	**Tangible Assets**										
	Freehold Land	153.54	4.57	1.64	**156.47**	-	-	-	**-**	**156.47**	153.54
	Leasehold Land	48.05	-	-	**48.05**	10.97	1.17	-	**12.14**	**35.91**	37.08
	Building	6,666.62	4.23	24.70	**6,646.15**	2,247.24	253.00	2.87	**2,497.37**	**4,148.78**	4,419.38
	Leasehold Improvements	39.33	-	-	**39.33**	39.15	-	-	**39.15**	**0.18**	0.18
	Plant and Machinery	91,744.53	11,796.98	1,500.19	**102,041.32**	42,145.82	7,363.13	1,090.35	**48,418.60**	**53,622.72**	49,598.71
	Furnace	1,576.39	-	-	**1,576.39**	1,538.47	22.15	-	**1,560.62**	**15.77**	37.92
	Electrical Installation	158.75	13.98	-	**172.73**	102.80	10.82	-	**113.62**	**59.11**	55.95
	Computers	243.52	12.85	0.37	**256.00**	229.75	5.58	0.05	**235.28**	**20.72**	13.77
	Furniture and Fixtures	211.61	6.39	4.28	**213.72**	148.00	10.49	0.97	**157.52**	**56.20**	63.61
	Office Equipments	330.35	10.91	3.63	**337.63**	205.72	15.63	0.56	**220.79**	**116.84**	124.63
	Vehicles	1,034.36	221.96	28.06	**1,228.26**	508.68	149.16	21.89	**635.95**	**592.31**	525.68
	Total (i)	**102,207.05**	**12,071.87**	**1,562.87**	**112,716.05**	**47,176.60**	**7,831.13**	**1,116.69**	**53,891.04**	**58,825.01**	**55,030.45**
ii)	**Intangible Assets**										
	Computer Software	259.21	12.57	-	**271.78**	204.33	30.67	-	**235.00**	**36.78**	54.88
	Producing Properties	4,809.46	37.85	-	**4,847.31**	4,044.23	381.70	-	**4,425.93**	**421.38**	765.23
	Total (ii)	**5,068.67**	**50.42**	**-**	**5,119.09**	**4,248.56**	**412.37**	**-**	**4,660.93**	**458.16**	**820.11**
	Total (i+ii)	**107,275.72**	**12,122.29**	**1,562.87**	**117,835.14**	**51,425.16**	**8,243.50**	**1,116.69**	**58,551.97**	**59,283.17**	**55,850.56**
	Previous year as at 31st Dec., 2011	99,581.10	11,489.00	3,794.38	**107,275.72**	48,040.70	6,075.64	2,691.18	**51,425.16**	**55,850.56**	
iii)	**Capital Work-in-Progress**	7,165.07			**6,674.55**					**6,674.55**	7,165.07

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

	Face Value	As at 30th June, 2013		As at 31st Dec., 2011	
		No. of Shares	₹ in Million	No. of Shares	₹ in Million
12. NON-CURRENT INVESTMENTS					
QUOTED					
A. In Equity Shares (Fully Paid-up) - Trade					
Samtel Electronics Devices Limited	₹ 10	82,000	0.11	82,000	0.25
Trend Electronics Limited	₹ 10	1,408,800	25.41	1,408,800	25.41
Value Industries Limited	₹ 10	1,971,973	12.52	1,811,748	25.18
			38.04		50.84
B. In Equity Shares (Fully Paid-up) - Others					
Al Champdany Industries Limited	₹ 5	18,000	0.36	18,000	0.31
Asian Electronics Limited	₹ 5	40,000	0.13	40,000	0.22
Assam Company (India) Limited	₹ 1	10,000	0.04	10,000	0.07
Bajaj Auto Limited	₹ 10	20,848	21.66	10,424	16.58
Deccan Cements Limited	₹ 10	-	-	221,677	28.60
Dhoot Industrial Finance Limited	₹ 10	4,800	0.03	4,800	0.05
Expo Gas Containers Limited	₹ 4	7,600	0.05	7,600	0.05
GTL Infrastructure Limited	₹ 10	500,000	0.84	501,900	4.51
IFCI Limited	₹ 10	-	-	41,800	0.91
Indbank Merchant Banking Services Limited	₹ 10	298,557	1.08	298,557	1.95
India Steel Works Limited [₹3,965 (Previous year ₹3,965)]	₹ 10	1,300	-	1,300	-
IOL Netcom Limited	₹ 10	1,567,374	9.87	1,567,374	11.38
Jayaswal Neco Industries Limited	₹ 10	253,950	1.81	253,950	2.94
Lumax Industries Limited	₹ 10	7,000	2.16	7,000	2.16
Man Industries Limited	₹ 5	300,000	28.01	-	-
Maxwell Industries Limited	₹ 2	-	-	62,953	1.30
Mold-Tek Packaging Limited	₹ 10	1,800	0.06	1,800	0.10
Prime Securities Limited	₹ 5	1,774,153	6.17	1,853,158	21.39
Shree Ram Urban Infrastructure Limited	₹ 10	85,000	7.36	85,000	11.50
Siemens Limited	₹ 2	-	-	3,130	0.13
Sri Lakshmi Saraswathi Textiles (Arni) Limited	₹ 10	8,700	0.12	8,700	0.12
Sujana Metal Products Limited	₹ 5	168,731	0.12	178,500	0.59
Swan Mills Limited	₹ 2	837,629	97.08	998,607	61.51
Yes Bank Limited	₹ 10	-	-	3,775	0.69
			176.93		167.06
UNQUOTED					
A. In Equity Shares (Fully Paid-up) - Trade					
Akai Consumer Electronics India Limited	₹ 10	35,000	0.35	35,000	0.35
Applicomp (India) Limited	₹ 10	17,023,500	170.24	17,023,500	170.24
CE India Limited	₹ 10	911	0.04	-	-
Digital Display Devices S.p.A.	Euro 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	-	-
Goa Energy Private Limited	₹ 10	-	-	2,600	0.03
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
Jupitor Corporation Inc	US$ 1	190	0.01	190	0.01
Kentosh Electronics India Private Limited	₹ 10	-	-	1,720	0.02
KAIL Limited	₹ 10	1,521,000	111.26	1,521,000	111.26
Millennium Appliances India Limited	₹ 10	4,750,000	95.00	4,750,000	95.00
Next Retail India Limited *	₹ 10	21,036,000	650.36	21,036,000	650.36
Plugin Sales Limited	₹ 100	1,900	0.19	1,900	0.19
PT Videocon Indonesia	US$ 50	475	0.94	475	0.94
Powerking Corporation Limited	US$ 1	2,711	0.13	2,711	0.13
Quadrant Corporation Inc	US$ 1	190	0.01	190	0.01
Radium Energy Private Limited - (Associate Company)	₹ 10	2,600	0.03	2,600	0.03
Sahyadri Consumer Electronics (I) Private Limited	₹ 10	-	-	1,900	0.02
Sapphire Overseas Inc.	US$ 1	1,900	0.08	1,900	0.08
Techno Electronics Limited	₹ 10	20,117,647	201.18	20,117,647	201.18
TekCare India Private Limited	₹ 10	1,900	0.02	1,900	0.02
VCIL Netherlands B.V.	Euro 100	34	0.13	34	0.13
Venus Corporation Limited	US$ 1	2,982	0.14	2,982	0.14
Cristal (Cayman) Limited (formerly Videocon (Cayman) Limited)	US$ 1	579,500	28.35	579,500	28.35
Emerald Corporate Ventures Limited (formerly Videocon Energy Ventures Limited)	US$ 1	1,000	0.05	-	-
Videocon Realty and Infrastructures Limited	₹ 10	8,125	0.83	8,125	0.83
			1,281.75		1,281.30
B. In Equity Shares (Fully Paid-up) - Others					
Bolton Properties Limited	₹ 10	112,500	13.66	112,500	13.66
Cube Fintex Private Limited	₹ 10	45,000	22.50	-	-
Deve Sugars Limited	₹ 10	125,000	0.13	125,000	0.13
Ease Finance Limited	₹ 10	4,800	0.96	4,800	0.96
Evans Fraser & Co. (India) Limited	₹ 100	91,250	49.13	91,250	49.13
Geekay Exim (India) Limited	₹ 10	80,000	0.08	80,000	0.08
Gold Crest Electronics Private Limited	₹ 10	47,500	0.48	47,500	0.48
Good Value Marketing Company Limited	₹ 10	25,000	0.03	25,000	0.03
H1 Hospitality Private Limited	₹ 10	1,900	0.02	1,900	0.02
Holzmann Videocon Engineers Limited	₹ 10	990,600	-	990,600	-
Kay Kay Construction Limited	₹ 10	4,500	0.90	4,500	0.90
Kores India Limited	₹ 10	1,170,000	1.17	1,170,000	1.17

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

	Face Value	As at 30th June, 2013		As at 31st Dec., 2011	
		No. of Shares	₹ in Million	No. of Shares	₹ in Million
NON-CURRENT INVESTMENTS (Contd.)					
Lexus Infotech Limited	₹ 10	**500,000**	**50.00**	500,000	50.00
Mayank Global Finance Limited	₹ 10	**2,218**	**1.11**	-	-
Mayank Securities Private Limited	₹ 10	**59,420**	**9.71**	2,220	1.11
Panorama Logistic Solutions Limited	₹ 10	**5,000**	**0.05**	5,000	0.05
Paramount Global Limited	US$ 1	**256,000**	**11.24**	256,000	11.24
Shri Sahayog Exhibitors Private Limited	₹ 1000	**-**	**-**	375	9.38
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
Tara Holdings Private Limited	₹ 10	**30,000**	**15.00**	30,000	15.00
The Banaras State Bank Limited	₹ 100	**25,000**	**0.03**	25,000	0.03
Titan Realty Private Limited	₹ 10	**2,500**	**0.03**	2,500	0.03
Trinity Infratech Private Limited	₹ 10	**500,000**	**80.00**	500,000	80.00
Veronica Properties Private Limited	₹ 10	**2,500**	**0.03**	2,500	0.03
Videocon (Mauritius) Infrastructure Ventures Limited	US$ 1	**100,700**	**4.29**	100,700	4.29
Videocon Realty Private Limited	₹ 10	**2,500**	**0.03**	2,500	0.03
Videocon SEZ Infrastructures Private Limited	₹ 10	**2,500**	**0.03**	2,500	0.03
Yash - V - Jewels Limited	₹ 10	**500,000**	**50.00**	500,000	50.00
Zodiac Corporation Limited	US$ 1	**190**	**0.01**	190	0.01
			320.02		297.18
C. In Equity Shares (Fully Paid-up) - Subsidiaries					
Chhattisgarh Power Ventures Private Limited	₹ 10	**10,000**	**0.10**	10,000	0.10
Eagle ECorp Limited	US$ 1	**-**	**-**	10,000	0.44
Liberty Videocon General Insurance Company Limited	₹ 10	**279,950,000**	**2,799.50**	4,960,000	49.60
Middle East Appliances LLC	RO 1	**2,251,800**	**270.14**	2,251,800	270.14
Pipavav Energy Private Limited *	₹ 10	**550,000,000**	**5,500.00**	550,000,000	5,500.00
Prosperous Energy Private Limited	₹ 10	**10,000**	**0.10**	10,000	0.10
Senior Consulting Private Limited	₹ 10	**1**	**0.11**	-	-
Videocon Electronics (Shenzhen) Limited (Chinese name - Weiyoukang 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
Emerald Corporate Ventures Limited (formerly Videocon Energy Ventures Limited)	US$ 1	**-**	**-**	1,000	0.04
Videocon Global Limited	US$ 1	**802,500**	**44.48**	2,500	0.12
Videocon Hydrocarbon Holdings Limited	US$ 1	**2,030,000**	**92.75**	2,030,000	92.75
Videocon International Electronics Limited *	₹ 10	**3,000,000,000**	**30,000.00**	2,000,000,000	20,000.00
Videocon Oil Ventures Limited *	₹ 10	**100,000,000**	**1,000.00**	100,000,000	1,000.00
Videocon Telecommunications Limited *	₹ 10	**563,487,120**	**5,634.87**	155,552,000	1,555.52
			46,348.47		29,475.23
D. In Equity Shares (Fully Paid-up) - Joint Ventures					
Videocon Infinity Infrastructure Private Limited	₹ 10	**5,000**	**0.05**	5,000	0.05
			0.05		0.05
E. In Preference Shares (Fully Paid-up)					
Plugin Sales Limited	₹ 100	**3,800**	**0.38**	3,800	0.38
Trend Electronics Limited	₹ 100	**10,000,000**	**1,000.00**	-	-
Videocon Power Limited	₹ 10	**5,000,000**	**20.00**	-	-
			1,020.38		0.38
F. In Bonds (Fully Paid-up)					
Central Bank of India	₹ 1,000,000	**50**	**50.00**	50	50.00
			50.00		50.00
G. Other Investments					
i) In Shares (Fully Paid-up) of Co-Operative Bank					
Ahmednagar District Urban Central Co-Operative Bank Ltd. [₹ 500 (Previous year ₹ 500)]	₹ 50	**10**	**-**	10	-
Bharati Sahakari Bank Limited	₹ 50	**7,670**	**0.38**	7,670	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 Saraswat Co-Operative Bank Limited	₹ 10	**1,000**	**0.01**	1,000	0.01
(i)			**0.52**		0.52
ii) In Shares (Fully Paid-up) of Co-Operative Society [₹ 250 (Previous year ₹ 1,550)] (ii)	₹ 50	**5**	**-**	31	-
(i+ii)			**0.52**		0.52
H. Share Application Money Pending Allotment					
Bharat Business Channel Limited			**-**		4,000.00
Chhattisgarh Power Ventures Private Limited			**-**		1,000.00
Middle East Appliances LLC			**91.63**		91.63
Trend Electronics Limited			**-**		1,000.00
Videocon Oil Ventures Limited			**-**		9,000.00
Videocon Telecommunications Limited			**-**		814.80
			91.63		15,906.43
Total Non-Current Investments			**49,327.79**		47,228.99
Aggregate amount of Quoted Investments			**214.97**		217.90
Aggregate Market value of Quoted Investments			**240.50**		242.63
Aggregate amount of Unquoted Investments			**49,112.82**		47,011.09

* Out of total Investments, 10,036,000 Equity Shares of Next Retail India Limited, 27,500,000 Equity Shares of Pipavav Energy Private Limited, 76,000,000 Equity Shares of Videocon Oil Ventures Limited, 1,020,000,000 Equity Shares of Videocon International Electronics Limited and 83,430,770 Equity Shares of Videocon Telecommunications Limited are pledged with Banks and Financial Institutions as security for availment of certain loans.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(₹ in Million)

13. LONG TERM LOANS AND ADVANCES

(Unsecured, considered good)

	As at 30th June, 2013	As at 31st Dec., 2011
Capital Advances	**43.35**	466.36
Security Deposits	**218.73**	570.81
Advance Income Tax (Net of Provision)	**138.58**	4.58
Loans and Advances to Related Parties (Refer Note No. 43)	**47,512.23**	35,112.06
Loans and Advances to Others	**26,828.64**	18,934.37
Total	**74,741.53**	55,088.18

14. CURRENT INVESTMENTS- Unquoted- Others

	Face Value	As at 30th June, 2013 Nos.	₹ in Million	As at 31st Dec., 2011 Nos.	₹ in Million
In Units of Mutual Funds					
Baroda Pioneer PSU Equity Fund	₹ 10	**250,000**	**1.57**	250,000	1.61
Canara Robeco Multicap-Growth	₹ 10	**250,000**	**2.50**	250,000	2.50
HDFC PMS Real Estate Fund	₹ 10	**325,960**	**3.26**	400,000	4.00
IDFC Cash Fund - Growth	₹ 1,000	**24,074**	**34.30**	-	-
Peninsula Realty Fund-Indigo	₹ 100,000	**-**	**-**	2,000	200.00
Total			**41.63**		208.11

(₹ in Million)

15. INVENTORIES

(As taken, valued and certified by the Management)

	As at 30th June, 2013	As at 31st Dec., 2011
Raw Materials including Consumables, Stores and Spares	**13,527.94**	13,583.66
Materials in Transit and in Bonded Warehouse	**2,560.53**	2,295.62
Work-in-Process	**994.04**	830.39
Finished Goods and Stock in Trade	**4,171.24**	3,800.08
Drilling and Production Materials	**222.20**	236.83
Crude Oil	**103.02**	60.51
Total	**21,578.97**	20,807.09

16. TRADE RECEIVABLES (Unsecured)

	As at 30th June, 2013	As at 31st Dec., 2011
Outstanding for a period exceeding six months		
Considered Good	**691.02**	188.89
Considered Doubtful	**198.19**	284.41
	889.21	473.30
Less: Provision for Doubtful Debts	**198.19**	284.41
	691.02	188.89
Others - Considered Good	**27,635.98**	27,315.53
Total	**28,327.00**	27,504.42

17. CASH AND BANK BALANCES

	As at 30th June, 2013	As at 31st Dec., 2011
Cash and Cash Equivalents		
Cash on hand	**7.12**	10.63
Cheques/Drafts on hand/in transit	**0.63**	0.47
Balances with Banks in Current Accounts	**1,262.04**	1,139.72
Sub-Total	**1,269.79**	1,150.82
Other Bank Balances		
In Dividend Warrant Accounts	**10.44**	28.53
In Fixed Deposits earmarked towards Site Restoration	**624.14**	279.81
In Fixed Deposits (held as margin money for credit facilities)		
- Maturity 12 months or less	**2,791.86**	2,166.89
- Maturity more than 12 months	**162.03**	1,419.41
Sub-Total	**3,588.47**	3,894.64
Total	**4,858.26**	5,045.46

18. SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good)

	As at 30th June, 2013	As at 31st Dec., 2011
Balance with Central Excise/Customs Department	**473.05**	794.14
Deposits	**16.32**	-
Loans and Advances to Related Parties (Refer Note No. 43)	**5,919.07**	14,661.03
Loans and Advances to Others	**117,254.69**	84,306.32
Total	**123,663.13**	99,761.49

19. OTHER CURRENT ASSETS

	As at 30th June, 2013	As at 31st Dec., 2011
Interest Accrued	**497.32**	372.83
Insurance Claim Receivable	**1.45**	10.71
Other Receivables	**296.78**	515.08
Total	**795.55**	898.62

(₹ in Million)

20. REVENUE FROM OPERATIONS

	Period ended 30th June, 2013	Year ended 31st Dec., 2011
Sale of Products/Services	**187,299.44**	129,042.71
Income from Other Services	**57.79**	37.64
Other Operating Revenue	**396.61**	114.35
Total	**187,753.84**	129,194.70

20.1 Particulars of Sale of Products/ Services

	Period ended 30th June, 2013	Year ended 31st Dec., 2011
Electrical and Electronic items	**167,365.20**	114,088.81
Crude Oil and Natural Gas	**19,700.64**	14,934.64
Electrical Energy (Power)	**233.60**	19.26
	187,299.44	129,042.71

21. OTHER INCOME

	Period ended 30th June, 2013	Year ended 31st Dec., 2011
Interest Income	**491.40**	487.06
Income from Investments and Securities Division (Refer Note No. 30.2)	**45.55**	98.88
Profit on Sale of Fixed Assets	**637.11**	178.94
Insurance Claim Received	**34.12**	160.04
Other Non Operating Income	**2,974.48**	138.20
Total	**4,182.66**	1,063.12

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

22. COST OF MATERIALS CONSUMED

	Period ended 30th June, 2013		Year ended 31st Dec., 2011	
	Percentage	**₹ in Million**	Percentage	₹ in Million
Imported	**31.16**	**17,651.61**	29.91	12,132.54
Indigenous	**68.84**	**38,992.09**	70.09	28,430.42
Total	**100.00**	**56,643.70**	100.00	40,562.96

(₹ in Million)

22.1 Particulars of Materials Consumed	**Period ended 30th June, 2013**	Year ended 31st Dec., 2011
Printed Circuit Board (All types)	**12,470.66**	8,879.47
Active & Passive Components	**13,568.02**	9,610.28
Plastic and Wooden Parts	**10,367.50**	7,342.08
Other Raw Materials	**20,237.52**	14,731.13
Total	**56,643.70**	40,562.96
23. PURCHASES OF STOCK-IN-TRADE		
Electrical and Electronic items	**59,133.82**	38,501.83
Total	**59,133.82**	38,501.83
24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE		
Closing Inventories		
Finished Goods and Stock-in-Trade	**4,274.26**	3,860.59
Work-in-Process	**994.04**	830.39
Sub-Total	**5,268.30**	4,690.98
Opening Inventories		
Finished Goods and Stock-in-Trade	**3,860.59**	3,774.08
Work-in-Process	**830.39**	776.49
Sub-Total	**4,690.98**	4,550.57
Total	**(577.32)**	(140.41)
25. PRODUCTION AND EXPLORATION EXPENSE - OIL AND GAS		
Production and Exploration Expenses	**1,048.65**	783.99
Royalty	**322.01**	245.42
Cess	**371.20**	310.38
Production Bonus	**71.66**	54.44
Government Share in Profit Petroleum	**10,812.77**	7,587.37
Insurance Expenses	**42.05**	26.16
Total	**12,668.34**	9,007.76
26. EMPLOYEE BENEFITS EXPENSE		
Salary, Wages and Other Benefits	**3,616.20**	2,038.14
Contribution to Provident Fund and Other Funds (Refer Note No. 32A)	**189.05**	121.77
Staff Welfare Expenses	**174.69**	93.55
Total	**3,979.94**	2,253.46
27. FINANCE COSTS		
Interest Expenses	**25,218.53**	9,642.44
Other Borrowing Costs	**965.93**	135.45
Applicable Net Loss/(Gain) on Foreign Currency Transactions	**963.72**	-
Total	**27,148.18**	9,777.89

(₹ in Million)

28. OTHER EXPENSES	**Period ended 30th June, 2013**	Year ended 31st Dec., 2011
Power, Fuel and Water	**1,421.14**	845.10
Freight and Forwarding	**2,097.75**	1,442.54
Rent	**295.26**	201.35
Rates and Taxes	**228.58**	95.14
Repairs to Building	**9.87**	8.97
Repairs to Plant and Machinery	**90.08**	63.95
Other Repairs and Maintenance	**73.02**	80.22
Insurance	**100.37**	61.64
Advertisement and Publicity	**2,545.66**	1,239.53
Sales Promotion Expenses	**215.48**	125.45
Discount and Incentive Schemes	**6,903.97**	4,996.66
Bank Charges	**383.30**	673.49
Payment to Auditors (Refer Note No. 30.5)	**22.01**	14.20
Donation	**89.91**	50.54
[(Includes amount paid to Bharatiya Janata Party ₹ 1.00 Million, Nationalist Congress Party ₹ 10.00 Million (Previous year Bihar Pradesh Janata Dal (United) ₹ 5.00 Million)]		
Directors' Sitting Fees	**1.99**	1.38
Legal and Professional Charges	**399.17**	295.99
Royalty	**262.39**	180.76
Printing and Stationery	**34.27**	31.31
Warranty and Maintenance	**1,332.68**	819.81
Provision for Doubtful Debts	**91.27**	40.74
Exchange Rate Fluctuation	**1,358.83**	1,641.38
Office and General Expenses	**1,703.41**	882.34
Total	**19,660.41**	13,792.49
29. EARNINGS PER SHARE		
i) Net Profit/(Loss) attributable to Equity Shareholders		
Net Profit/(Loss) for the period after tax adjustments for earlier years	**(716.32)**	5,399.11
Less: Dividend on Preference Shares including Tax on the same	**32.38**	39.25
Net Profit/(Loss) attributable to Equity Shareholders	**(748.70)**	5,359.86
ii) Weighted Average Number of Equity Shares considered for calculation of Basic EPS	**314,683,004**	302,308,789
Weighted Average Number of Equity Shares considered for calculation of Diluted EPS	**314,683,004**	302,308,789
(The effect of conversion option of FCCBs is anti dilutive in nature)		
iii) Basic Earnings per Share of ₹10/- each (₹)	**(2.38)**	17.73
Diluted Earnings per Share of ₹ 10/- each (₹)	**(2.38)**	17.73

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

30. ADDITIONAL NOTES TO FINANCIAL STATEMENTS

30.1 During the period, there is a write back of ₹ 1.73 Million (Previous year charge of ₹ 180.82 Million) against the diminution recognised in earlier years in the value of investments.

30.2 The Company has kept the investment activities separate and distinct from other businesses. Consequently, all the income and expenditure pertaining to investment activities have been allocated to the Investments and Securities Division and the income/(loss) after netting of the related expenditure has been shown as "Income/(Loss) from Investments and Securities Division" under "Other Income" which includes in respect of the long term investments, dividend of ₹ 1.89 Million (Previous year ₹ 6.63 Million), interest on bonds of ₹ 6.96 Million (Previous year ₹ 4.23 Million), profit on sale/disposal of investments of ₹ 43.05 Million (Previous year loss of ₹ 46.29 Million) and in respect of current investments, dividend of ₹ 0.27 Million (Previous year ₹ Nil).

(₹ in Million)

30.3 C.I.F. Value of Imports, Expenditure and Earnings in Foreign Currency	**Period ended 30th June, 2013**	Year ended 31st Dec., 2011
a) C.I.F. Value of Imports:		
Raw Materials	**23,884.27**	14,026.74
Capital Goods (including advances)	**213.56**	709.66
b) Expenditure incurred in Foreign Currency:		
Cash Call paid to the Operator for the project	**284.15**	813.21
Interest and Bank Charges	**1,429.31**	984.13
Royalty	**266.04**	47.10
Travelling	**43.15**	16.33
Others	**72.65**	148.67
c) Other Earnings/Receipts in Foreign Currency:		
F.O.B. Value of Exports	**6,428.15**	3,838.47
Others*	**3,423.61**	2.06
*(Reimbursement of Expenses of ₹ 708.84 Million (Previous year ₹Nil) is not considered)		

30.4 Remittance in Foreign Currency on account of Dividend	**Period ended 30th June, 2013**	Year ended 31st Dec., 2011
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	**1,217**	1,372
b) Number of Equity Shares held by them	**38,531,878**	24,556,038
c) Gross Amount of Dividend (₹ in Million)	**19.27**	24.56
d) Year to which dividend relates	**FY 2011**	FY 2009-10

(₹ in Million)

30.5 Payment to Auditors	**Period ended 30th June, 2013**	Year ended 31st Dec., 2011
a) Statutory Audit Fees	**10.50**	7.00
b) Tax Audit Fees	**2.80**	1.40
c) Out of Pocket Expenses	**0.34**	0.23
d) Other Services	**8.37**	5.57
Total	**22.01**	14.20

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

(₹ in Million)

	Period ended 30th June, 2013	Year ended 31st Dec., 2011
a) Amount at the beginning of the period	**632.15**	638.51
b) Additional provision made during the period	**653.24**	632.15
c) Amount used	**602.89**	602.82
d) Unused amount reversed during the period	**29.26**	35.69
e) Amount at the end of the period	**653.24**	632.15

32. EMPLOYEE BENEFITS:

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

A) Defined Contribution Plans:

Amount of ₹ 189.05 Million (Previous year ₹ 121.77 Million) related to contribution to Provident and Other Funds are recognised as an expense and shown under the head "Employee Benefits Expense" (Refer Note No. 26) in the Statement of Profit and Loss.

(₹ in Million)

B) Defined Benefit Plans:	**Gratuity**		**Leave Encashment**	
	30th June, 2013	31st Dec., 2011	**30th June, 2013**	31st Dec., 2011
I) The amounts recognised in the Balance Sheet as at the end of the period:				
a) Present value of Defined Benefit Obligation	**223.73**	158.49	**54.67**	44.29
b) Fair value of Plan Assets	**55.34**	54.74	**-**	-
c) Funded Status - Surplus/(Deficit)	**(168.39)**	(103.75)	**(54.67)**	(44.29)
d) Net Assets/(Liability)				
i) Non Current	**(145.12)**	(91.09)	**(49.26)**	(39.67)
ii) Current	**(23.27)**	(12.66)	**(5.41)**	(4.62)
II) The amounts recognised in the Statement of Profit and Loss for the period:				
a) Current Service Cost	**54.75**	20.64	**20.35**	7.34
b) Interest Cost	**22.47**	10.93	**5.21**	3.57
c) Actuarial (Gains)/Losses	**13.54**	2.15	**22.45**	7.52
d) Actual return on Plan Assets	**7.52**	4.31	**-**	-
e) Total Expenses	**83.24**	29.41	**48.01**	18.43
III) The changes in Obligations during the period:				
a) Present value of Defined Benefit Obligation at the beginning of the period	**158.49**	138.50	**44.29**	47.02
b) Current Service Cost	**54.75**	20.64	**20.35**	7.34
c) Interest Cost	**22.47**	10.93	**5.21**	3.57
d) Actuarial (Gains)/Losses	**13.54**	2.15	**22.45**	7.52
e) Benefit Payments	**25.52**	13.73	**37.63**	21.16
f) Present value of Defined Benefit Obligation at the end of the period	**223.73**	158.49	**54.67**	44.29

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(₹ in Million)

	Gratuity		Leave Encashment	
	30th June, 2013	31st Dec., 2011	**30th June, 2013**	31st Dec., 2011
IV) The changes in Plan Assets during the period:				
a) Plan Assets at the beginning of the period	**54.74**	50.05	**-**	-
b) Contribution by Employer	**8.36**	8.57	**-**	-
c) Actual Benefits paid	**15.28**	8.19	**-**	-
d) Plan Assets at the end of the period	**55.34**	54.74	**-**	-
e) Actual return on Plan Assets	**7.52**	4.31	**-**	-

V) Actuarial Assumptions

a) Discount Rate	-	8% per annum
b) Mortality	-	LIC (1994-96) Ultimate
c) Turnover Rate	-	5% at younger ages reducing to 1% at older ages
d) Future Salary Increase	-	5% per annum

(₹ in Million)

33. CONTINGENT LIABILITIES AND COMMITMENTS	**As at 30th June, 2013**	As at 31st Dec., 2011
A) Commitments		
Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	**508.19**	628.54
B) Contingent Liabilities not provided for:		
i) Letters of Guarantees	**39,317.01**	76,432.95
ii) Letters of Credit opened (including Standby Letters of Credit and Letter of Comfort)	**61,216.92**	29,921.44
iii) Claims against the Company not acknowledged as debts		
a) Custom Duty demands and penalties under dispute	**502.46**	447.02
[Amount paid under protest ₹ 3.41 Million (Previous year ₹ 0.07 Million)]		
b) Income Tax demands under dispute	**3,149.41**	494.74
c) Excise Duty and Service Tax demands and penalties under dispute [Amount paid under protest ₹ 30.86 Million (Previous year ₹ 4.21 Million)]	**1,034.95**	610.88
d) Sales Tax demands under dispute	**1,131.51**	919.84
[Amount paid under protest ₹ 377.09 Million (Previous year ₹ 360.08 Million)]		
e) Others [Amount paid under protest ₹ 50.00 Million (Previous year ₹ 50.00 Million)]	**2,153.30**	1,062.64

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, 2012. The amount involved relating to Ravva Block is ₹ 418.88 Million (Previous year ₹ 412.56 Million).

The Operator is contesting the SCNs/demands before Commissioner of Service Tax and has filed appeal before CESTAT, Bangalore and also writ petition before Hon'ble High Court of Madras challenging service tax demands on some of the services and believes that its position is likely to be upheld. The ultimate outcome of the matter cannot be presently determined and no provision for any liability that may result has been made in the accounts as the same is subject to agreement by the members of the Joint Venture. Should it ultimately become payable, the Company's share as per the participating interest would be upto ₹ 104.72 Million (Previous year ₹ 103.14 Million).

g) Disputed Income Tax demand amounting to ₹ 22.29 Million (Previous year ₹ 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 (Previous year ₹ 5.57 Million).

34. There were 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 international arbitration for resolution. The Arbitral Tribunal has issued a Partial Award and is still seized of the matter and is yet to issue a Final Award, other than for the dispute relating to Base Development Costs ("BDC") for which a final award was issued on 18th January, 2011 substantially in favour of the Company. Issue relating to deductibility of ONGC Carry Costs arising out of the Partial Award was appealed by the GOI before the Malaysian Appellate Authorities which has since been rejected (on grounds, inter-alia, of jurisdiction and maintainability) by such authorities and is now before the final appellate authority i.e. the Federal Court of Malaysia. Issue relating to deductibility of the BDC was appealed by the GOI before the Malaysian Appellate Authority which has since been rejected by such authority and is now before the Court of Appeal at Malaysia. Pending final resolution of the disputes, certain amounts have been short paid by GOI Nominees which have been disputed by the Company and the Company is seeking refund of amounts excessively deducted. Based on legal advice, the Company believes its contentions will be upheld. Any further sum required to be paid or returnable in respect of such disputes in accordance with the determination of the amount by the Hon'ble Arbitral Tribunal/relevant courts in this regard shall be accounted for on the final outcome in those matters.

35. The Company alongwith 12 other affiliates/entities (collectively referred to as 'Obligors' or individually as 'Borrower') executed Facility Agreement with the consortium of existing domestic rupee term lenders, under the obligor/co-obligor structure, wherein all the Rupee Term Loans of the Obligors are pooled together. The Borrower entities are Videocon Industries Limited, Value Industries Limited, Trend Electronics Limited, KAIL Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Sky Appliances Limited, Techno Electronics Limited, Century Appliances Limited, PE Electronics Limited, Next Retail India Limited, Evans Fraser and Co. (India) Limited and Videocon International Electronics Limited. As per the said Facility Agreement, the Company is agent of the Obligors and has been referred to as 'Obligor Agent'. The Rupee Term Loans have to be utilised for the purpose mentioned in the Facility Agreement which is mainly for refinancing of existing Rupee Term Loans of the Obligors. Accordingly, the Rupee Term Loans of ₹ 20,439.54 Million have been allocated to respective Obligors based on their outstanding amount as on 31st December 2011. 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 30th June, 2013 of ₹ 20,307.40 Million (Previous year ₹ Nil).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

36. The Consortium of various banks have sanctioned the Letter of Comfort (LoC)/Stand-by Letters of Credit (SBLC) facility to the Company and its subsidiary Videocon Oil Ventures Limited (VOVL) (collectively referred to as 'Obligors') to secure the foreign currency facility raised / to be raised by Videocon Hydrocarbon Holdings Limited (VHHL), an overseas subsidiary, from its lenders. The LoC/SBLC facility is secured by first ranking 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 guarantees of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot and Mr. Rajkumar N. Dhoot. However, charge has not been created in favor of Consortium of banks (A) for the credit facility to the Obligors on the assets by way of pledge of shares of the subsidiaries viz. Videocon Mauritius Energy Limited and Videocon Mozambique Rovuma 1 Limited which have been pledged to Standard Chartered Bank for the loans availed by VHHL; (B) for any other receivables from Videocon Mozambique Rovuma 1 Limited and (C) on any assets of Videocon Mozambique Rovuma 1 Limited.

Accordingly, the Company is contingently liable in respect of the LoC/SBLC facility of VOVL to the extent of ₹ 69,933.48 Million (Previous year ₹ Nil).

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

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

38. 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.

i) The Company has participating interest of 25% in Ravva Oil and Gas Field Joint Venture (JV) through a Production Sharing Contract (PSC). Other members of the JV are Oil and Natural Gas Corporation Limited, Cairn India Limited (formerly Cairn Energy India Pty Limited) and Ravva Oil (Singapore) Pte. Limited. The parties have pursuant to the PSC, entered into a Joint Operating Agreement. Cairn India Limited is now the Operator (Cairn Energy India Pty Limited was the Operator upto 15th October, 2012).

ii) The Company had participating interest of 8.4% in Block WA-388-P in exploration permit for a term of 6 years from 28th August, 2006. The Joint Venture (JV) comprised of the Company, Oilex Limited, Gujarat State Petroleum Corporation Limited, Hindustan Petroleum Corporation Limited, Bharat Petroleum Corporation Limited, Sasol Petroleum Australia Limited and Apache Northwest Pty Limited ("Apache"). Apache was the Operator with 40% interest in JV. The Petroleum Exploration Permit WA-388-P expired on 27th August, 2012 and ceased to be inforce.

B) Incorporated Jointly Controlled Entities:

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

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

(₹ in Million)

Company's share in	30th June, 2013	31st Dec., 2011
Assets	**6.30**	4.20
Liabilities	**6.25**	4.15
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 ₹ 3,656.49 Million (Previous year ₹ 239.96 Million).

39. 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.

40. 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.

41. There are no amounts due and outstanding, to be credited to the Investor Education and Protection Fund.

42. Related Party Disclosures:

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

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

i) Subsidiaries:

a) Chhattisgarh Power Ventures Private Limited
b) Eagle ECorp Limited (upto 20th June, 2013)
c) Liberty Videocon General Insurance Company Limited
d) Middle East Appliances LLC
e) Pipavav Energy Private Limited
f) Prosperous Energy Private Limited
g) Videocon Electronics (Shenzhen) Limited (Chinese Name - Weiyoukang Electronic (Shenzhen) Co., Ltd.)
h) Videocon Global Limited
i) Videocon Oil Ventures Limited and its subsidiaries
- Videocon Estelle Limited
- Videocon Ivory Limited
- 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
  - Oil Services International S.A.S. (Liquidated on 10th July, 2012)
  - Videocon Mauritius Energy Limited (w.e.f. 17th December, 2012) and its subsidiary
    - Videocon Mozambique Rovuma 1 Limited *

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

j) Emerald Corporate Ventures Limited (formerly Videocon Energy Ventures Ltd) (upto 20th June, 2013) and its subsidiary

- Mercury Corporate Ventures Limited (formerly Videocon Oman 56 Limited) (upto 20th June, 2013)

k) Videocon International Electronics Limited and its subsidiaries

- Jumbo Techno Services Private Limited
- Senior Consulting Private Limited
- Videocon Telecommunications Limited and its subsidiary
  - Datacom Telecommunications Private Limited

l) Videocon Energy Limited and its subsidiary

- Proficient Energy Private Limited and its subsidiary
  - Applied Energy Private Limited and its subsidiaries
    - Unity Power Private Limited
    - Comet Power Private Limited and its subsidiaries
      - Indigo Energy Private Limited (w.e.f. 16th January, 2012)
      - Percept Energy Private Limited (w.e.f. 16th January, 2012)

* Videocon Mozambique Rovuma 1 Limited was a wholly owned subsidiary of Videocon Hydrocarbon Holdings Limited upto 27th December, 2012. It became a wholly owned subsidiary of Videocon Mauritius Energy Limited w.e.f. 28th December, 2012.

ii) Associates and Joint Ventures:

- Goa Energy Private Limited - Associate - 26% (upto 1st March, 2012)
- Northwest Energy Private Limited - (Associate of Proficient Energy Private Limited - 47%, upto 7th January, 2013)
- Radium Energy 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. Pradipkumar N. Dhoot - Whole Time Director (upto 14th August, 2012)
- Mr. Sunil Kumar Jain - Senior Vice President
- Mr. Shekhar Jyoti- Vice President
- Mr. Chandramani M. Singh- Vice President
- Mr. Jaideep R. Rathore- Senior Vice President (upto 31st March, 2013)
- Mr. Abhijit Kotnis - Vice President
- Mr. Arun Pal - Vice President

B) Transactions/outstanding balances with Related Parties:

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

(₹ in Million)

Particulars	Subsidiary Companies	Associates/ Joint Venture	Key Management Personnel
Nature of Transactions			
Revenue from Operations	**51.21** (424.75)		
Other Income	**2,278.25** (-)		
Purchase of Goods/ Services	**-** (89.75)		
Reimbursement of Expenses	**6,494.69** (2,560.92)	**9.63** (90.42)	
Non Current Investments (net)	**6,058.92** (1,095.23)		
Long Term Advances/ Loans given	**28,816.14** (18,610.91)		
Short Term Advances/ Loans given	**3,050.07** (6,158.31)	**0.04** (8.40)	
Long Term Advances/ Loans received back	**16,415.97** (-)		
Short Term Advances/ Loans received back	**11,424.00** (2,563.50)	**368.07** (-)	
Short Term Advances/ Loans received	**5.13** (81.69)		
Repayment of Short Term Advances/Loans received	**76.95** (-)		
Remuneration			**81.01** (43.07)
Outstanding as at 30th June, 2013			
Trade Receivables	**-** (68.34)		
Trade Payables	**-** (20.53)		
Long Term Advances/ Loans given	**47,512.23** (35,112.06)		
Short Term Advances/ Loans given	**5,915.77** (14,289.70)	**3.30** (371.33)	
Non Current Investments/ Share Application Money	**46,440.10** (40,381.66)	**0.08** (0.10)	
Advances/Loans received	**9.87** (81.69)		

(Figures in bracket are for the year ended 31st December, 2011)

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

i) Revenue from Operations from Videocon Telecommunications Limited ₹ 51.21 Million (Previous year ₹ 335.80 Million on high seas basis).

ii) Other Income received from Videocon Hydrocarbon Holdings Limited ₹ 2,225.27 Million (Previous year ₹ Nil).

iii) Reimbursement of Expenses from Videocon International Electronics Limited ₹ 4,456.13 Million (Previous year ₹ Nil), Videocon Hydrocarbon Holdings Limited ₹ 695.24 Million (Previous year ₹ Nil) and Videocon Oil Ventures Limited ₹ 741.11 Million (Previous year ₹ Nil).

iv) Subscription to Shares of Videocon International Electronics Limited ₹ 10,000.00 Million (Previous year ₹ Nil), Videocon Telecommunications Limited net of Share Application Money ₹ 3,264.55 Million (Previous year ₹ Nil) and Liberty Videocon General Insurance Company Limited ₹ 2,749.90 (Previous year ₹ 49.10 Million). Refund of Share Application Money from Videocon Oil Ventures Limited ₹ 9,000.00 Million (Previous year ₹ Nil) and Chhattisgarh Power Ventures Private Limited ₹ 1,000.00 Million (Previous year ₹ Nil).

v) Long Term Advances/Loans Given to Videocon International Electronics Limited ₹ 19,103.13 Million (Previous year 2,444.64 Million) and Videocon Oil Ventures Limited ₹ 9,713.01 Million (Previous year ₹ 5,296.22 Million).

vi) Short Term Advances/Loans Given to Videocon Hydrocarbon Holdings Limited ₹ 2,380.65 Million (Previous year ₹ Nil) and Chhattisgarh Power Ventures Private Limited ₹ 536.92 Million (Previous year ₹ Nil).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

vii) Long Term Advances/Loan Received back from Videocon Telecommunications Limited ₹ 16,415.97 Million (Previous year ₹ Nil).

viii) Short Term Advances/Loan Received back from Videocon Global Limited ₹ 9,993.30 Million (Previous years ₹ Nil) and Videocon Energy Ventures Limited ₹ 1,340.50 Million (Previous year ₹ Nil).

ix) Short Term Advances/Loans Received from Liberty Videocon General Insurance Company Limited ₹ 3.49 Million (Previous year ₹ Nil) and Videocon Global Limited ₹ 1.64 Million (Previous year ₹ Nil).

x) Repayment of Short Term Advances/Loans Received from Proficient Energy Private Limited ₹ 62.96 Million (Previous year ₹ Nil) and Videocon Electronics (Shenzen) Limited ₹ 13.99 Million (Previous year ₹ Nil).

43. 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 30th June, 2013	As at 31st Dec., 2011
Videocon International Electronics Limited	Subsidiary	31,719.83	12,616.70
Videocon Oil Ventures Limited	Subsidiary	15,009.66	5,296.65
Videocon Telecommunications Limited	Subsidiary	782.74	17,198.71

ii) Short Term Loans and Advances:

(₹ in Million)

Name of the Company		As at 30th June, 2013	As at 31st Dec., 2011
Applied Energy Private Limited	Subsidiary	114.17	7.93
Chhattisgarh Power Ventures Private Limited	Subsidiary	1,509.53	972.61
Comet Power Private Limited	Subsidiary	0.41	0.31
Datacom Telecommunications Private Limited	Subsidiary	0.01	0.0004
Indigo Energy Private Limited	Subsidiary	0.01	-
Jumbo Techno Services Private Limited	Subsidiary	-	0.01
Liberty Videocon General Insurance Company Limited	Subsidiary	-	14.61
Percept Energy Private Limited	Subsidiary	1.03	-
Pipavav Energy Private Limited	Subsidiary	1,475.42	1,550.99
Prosperous Energy Private Limited	Subsidiary	417.37	409.42
Senior Consulting Private Limited	Subsidiary	-	0.01
Unity Power Private Limited	Subsidiary	-	0.002
Videocon Electronics (Shenzhen) Limited	Subsidiary	5.82	-
Videocon Energy Brazil Limited	Subsidiary	4.08	-
Videocon Energy Limited	Subsidiary	0.01	-
Emerald Corporate Ventures Limited (upto 20th June, 2013) (formerly Videocon Energy Ventures Limited)	Subsidiary	-	1,340.50
Videocon Global Limited	Subsidiary	-	9,993.31
Videocon Hydrocarbon Holdings Limited	Subsidiary	2,380.65	-
Videocon Indonesia Nunukan Limited	Subsidiary	1.17	-
Videocon Mozambique Rovuma 1 Limited	Subsidiary	6.09	-
Goa Energy Private Limited	Associate	-	368.07
Radium Energy Private Limited	Associate	0.55	0.51
Videocon Infinity Infrastructure Private Limited	Joint Venture	2.75	2.75

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

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

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

44. 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 30th June, 2013	As at 31st Dec., 2011
Crude Oil	Million Metric Tonnes	0.85	1.53
Natural Gas	Million Cubic Metres	187.84	240.29

45. a) The Financial Institutions have a right to convert, at their option, the whole outstanding amount of term loans or a part not exceeding 20% of defaulted amount of loan, whichever is lower, into fully paid up Equity Shares of the Company at par on default in payments/repayments of three consecutive installments of principal and/or interest thereon or on mismanagement of the affairs of the Company.

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

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

47. These financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956. The figures for the current period are for a period of 18 months as against 12 months in previous year and hence are not comparable. Previous year figures have been reclassified, restated, recasted to conform to the classification of the current period.

As per our report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No. 104180

For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner
Membership No. 31055

VINOD KUMAR BOHRA
Company Secretary

For and on behalf of the Board

V. N. DHOOT
Chairman and Managing Director

S. PADMANABHAN
Director

Place : Mumbai
Date : 29th November, 2013

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To,

The Board of Directors

VIDEOCON INDUSTRIES LIMITED

1. We have audited the attached Consolidated Balance Sheet of Videocon Industries Limited (the Company) and its subsidiaries, associates and joint ventures, as at 30th June, 2013, Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the 18 months period ended on that date annexed thereto. These Consolidated Financial Statements are the responsibility of the Company's management and have been prepared by them on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

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

3. a) We did not jointly audit the financial statements of certain Subsidiaries whose financial statements reflect total assets (net) of ₹ 155,061.25 Million as at 30th June 2013/ 31st March 2013, total revenues (net) of ₹ 30,833.32 Million and net cash flows amounting to ₹ (2,900.01) Million for the period ended on that date. These financial statements have been audited by one of us.

   b) We did not audit the financial statements of certain Subsidiaries and Joint Ventures, whose financial statements reflect total assets (net) of ₹ 4,670.19 Million as at 30th June 2013/ 31st March 2013, total revenues (net) of ₹ 480.84 Million and net cash flows amounting to ₹ 506.37 Million for the period ended on that date and financial statements of associates in which the share of loss is ₹ 5.09 Million. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

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

5. Without qualifying our report we draw attention to:

   a) Note No. 35 to the Financial Statements, Videocon Telecommunications Limited (VTL), a subsidiary, had been awarded licenses by the Department of Telecommunications ("DoT") to provide Unified Access Services ("UAS") in 21 telecom circles in India with effect from 25th January, 2008 which were valid for a period of 20 years. VTL had also been allocated spectrum in 20 circles and had launched its commercial operations in 17 circles.

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

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

      During the period, VTL has incurred a net loss of ₹ 12,036.14 Million resulting into accumulated losses of ₹ 40,344.93 Million as at 30th June, 2013. VTL has further issued and allotted share capital whereby the net worth has become positive as on 30th June, 2013. The ability of VTL to continue as a going concern is substantially dependent on its ability to fund its operating and capital expenditure requirements. The management of VTL is confident of mobilizing the necessary resources for continuing its operations as per the business plan. Accordingly, the financial statements have been prepared by VTL on a going concern basis.

   b) Note No. 38(B)(a) to the Financial Statements, regarding incorporation of the Company's share, in the operations of the joint ventures based on the statements received from the respective Operator. The Company has received the audited financial statements for the period upto 31st March, 2013 and un-audited financial statements for the period 1st April, 2013 to 30th June, 2013 in respect of Ravva Oil & Gas Field Joint Venture on which we have placed reliance.

6. *As mentioned in Note No.13.1 to the Financial Statements, the Subsidiary, VTL has recognized net Deferred Tax Assets of ₹ 11,583.48 Million on the unabsorbed depreciation and business losses, based on future business plan, estimated increase in subscribers base, additional capital infusion which would restrict further borrowings and related costs and that there would be sufficient profits to absorb the entire unabsorbed depreciation and business losses. However, in the absence of convincing supporting evidence of future taxable profits, we are unable to comment on the reasonableness of recognition of the said Deferred Tax Assets, the effect whereof, if any, on the financial statements for the period is unascertainable.*

7. On the basis of the information and explanations given to us and on the consideration of the separate audit report on individual audited financial statements of the Company, its Joint Ventures and its subsidiaries, we are of the opinion that the attached Consolidated Financial Statements *subject to paragraph 6 above, the consequent impact of which on the financial statements, if any, is unascertainable* and read with the notes and the significant accounting policies thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

   a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiaries, associates and joint ventures as at 30th June, 2013;

   b. in the case of the Consolidated Statement of Profit and Loss, of the consolidated loss of the Company and its subsidiaries, associates and joint ventures for the period ended on that date; and

   c. in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiaries, associates and joint ventures for the period ended on that date.

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

SHIVRATAN AGARWAL
Partner
Membership No.: 104180

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

U.S.KADAM
Partner
Membership No.: 31055

Place : Mumbai
Date : 29th November, 2013

CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE, 2013

(₹ in Million)

Particulars	Note No.	As at 30th June, 2013	As at 31st Dec., 2011
I. EQUITY AND LIABILITIES			
1) Shareholders' Funds			
a) Share Capital	3	**3,340.94**	3,339.36
b) Reserves and Surplus	4	**43,796.04**	69,450.43
		47,136.98	72,789.79
2) Share Application Money Pending Allotment		**-**	5,448.74
3) Minority Interest		**2,079.81**	104.10
4) Non-Current Liabilities			
a) Long Term Borrowings	5	**310,786.55**	143,960.69
b) Deferred Tax Liability (Net)	13	**-**	7,351.19
c) Long Term Provisions	6	**1,499.40**	1,299.74
		312,285.95	152,611.62
5) Current Liabilities			
a) Short Term Borrowings	7	**58,083.65**	79,567.71
b) Trade Payables	8	**15,775.64**	14,151.46
c) Other Current Liabilities	9	**58,361.04**	67,136.75
d) Short Term Provisions	10	**966.43**	907.00
		133,186.76	161,762.92
TOTAL		**494,689.50**	392,717.17
II. ASSETS			
1) Non-Current Assets			
a) Fixed Assets	11		
i) Tangible Assets		**75,715.31**	73,864.49
ii) Intangible Assets		**23,226.54**	18,682.30
iii) Capital work-in-progress		**95,252.89**	55,223.46
b) Pre-Operative Expenditure Pending Allocation	12	**1,606.12**	2,165.20
c) Goodwill on Consolidation		**11,079.53**	77.91
d) Deferred Tax Assets (Net)	13	**17,925.34**	-
e) Non-Current Investments	14	**7,548.97**	10,875.07
f) Long Term Loans and Advances	15	**43,530.03**	37,260.83
		275,884.73	198,149.26
2) Current Assets			
a) Current Investments	16	**632.49**	208.11
b) Inventories	17	**21,656.82**	20,897.41
c) Trade Receivables	18	**29,433.94**	28,153.11
d) Cash and Bank Balances	19	**9,004.12**	12,255.92
e) Short Term Loans and Advances	20	**157,122.59**	132,109.77
f) Other Current Assets	21	**954.81**	943.59
		218,804.77	194,567.91
TOTAL		**494,689.50**	392,717.17
Significant Accounting Policies	1		
Notes forming part of the Financial Statements	2 to 48		

As per our report of even date

For and on behalf of the Board

For KHANDELWAL JAIN & CO.
Chartered Accountants

For KADAM & CO.
Chartered Accountants

V. N. DHOOT
Chairman and Managing Director

SHIVRATAN AGARWAL
Partner
Membership No. 104180

U. S. KADAM
Partner
Membership No. 31055

VINOD KUMAR BOHRA
Company Secretary

S. PADMANABHAN
Director

Place : Mumbai
Date : 29th November, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD 1ST JANUARY, 2012 TO 30TH JUNE, 2013

(₹ in Million)

	Particulars	Note No.	Period ended 30th June, 2013	Year ended 31st Dec., 2011
I.	**INCOME**			
	Revenue from Operations	22	**194,238.53**	136,845.07
	Less: Excise Duty		**6,181.09**	2,692.48
	Net Revenue from Operations		**188,057.44**	134,152.59
	Other Income	23	**8,903.04**	1,375.74
	Total Income		**196,960.48**	135,528.33
II.	**EXPENSES**			
	Cost of Materials Consumed		**56,643.70**	40,562.96
	Purchase of Stock-in-Trade		**59,134.62**	39,909.38
	Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	24	**(578.21)**	(137.64)
	Production and Exploration Expenses - Oil and Gas	25	**26,602.34**	9,007.76
	Access Charges, License Fees and Network Expenses	26	**9,505.34**	11,381.39
	Employee Benefits Expense	27	**5,708.88**	3,875.25
	Finance Costs	28	**40,774.95**	15,563.88
	Depreciation and Amortisation	11	**13,255.70**	9,160.75
	Other Expenses	29	**28,949.73**	17,932.71
	Total Expenses		**239,997.05**	147,256.44
III.	**Profit/(Loss) Before Tax**		**(43,036.57)**	(11,728.11)
	Add: Share in Profit/(Loss) of Associates		**(5.09)**	(0.19)
	Add: Profit/(Loss) on Disposal/Dilution of holding in Subsidiaries/Associates		**(1,032.21)**	49.74
IV.	**Tax Expenses**	30	**(12,005.08)**	1,964.31
V.	**Profit/(Loss) Before Minority Interest**		**(32,068.79)**	(13,642.87)
	Add: Minority Interest		**3,807.60**	5.21
VI.	**Profit/(Loss) for the Period**		**(28,261.19)**	(13,637.66)
VII.	**Earnings per Equity Share of face value ₹10/- each**	31		
	Basic and Diluted		**(89.91)**	(45.24)
	Significant Accounting Policies	1		
	Notes forming part of the Financial Statements	2 to 48		

As per our report of even date

For and on behalf of the Board

For KHANDELWAL JAIN & CO.
Chartered Accountants

For KADAM & CO.
Chartered Accountants

V. N. DHOOT
Chairman and Managing Director

SHIVRATAN AGARWAL
Partner
Membership No. 104180

U. S. KADAM
Partner
Membership No. 31055

VINOD KUMAR BOHRA
Company Secretary

S. PADMANABHAN
Director

Place : Mumbai
Date : 29th November, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 30TH JUNE, 2013

(₹ in Million)

	Particulars		Period ended on 30th June, 2013	Year ended on 31st Dec., 2011
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit/(Loss) before Tax		**(43,036.57)**	(11,728.11)
	Adjustments for:			
	Depreciation and Amortisation		**13,255.70**	9,160.75
	Finance Costs		**40,774.95**	15,563.88
	Provision for Leave Encashment		**(0.10)**	2.85
	Provision for Gratuity		**59.63**	30.54
	Provision for Warranty and Maintenance Expenses		**21.09**	(6.36)
	Provision for Abandonment and Site Restoration Costs		**135.65**	187.97
	Provision for Doubtful Debts		**179.74**	94.73
	Premium Deficiency Reserve		**2.38**	-
	Interest Received		**(5,175.91)**	(743.09)
	Diminution/(Write back) in Value of Investments		**(1.73)**	180.82
	Income from Investments and Securities Division		**(16.15)**	(279.59)
	(Profit)/Loss on Sale/Discard of Fixed Assets		**3,813.90**	(180.38)
	Minority Interest for the period/year		**3,807.60**	5.21
	Operating Profit before Working Capital Changes		**13,820.18**	12,289.22
	Adjustments for:			
	Inventories		**(759.41)**	(297.86)
	Trade Receivables		**(1,460.57)**	(1,580.86)
	Loans and Advances		**(30,932.78)**	(83,497.73)
	Other Current Assets		**(11.22)**	(372.80)
	Trade Payables		**1,624.18**	4,056.27
	Other Current Liabilities		**7,299.94**	6,484.81
	Cash generated from/(used in) Operations		**(10,419.68)**	(62,918.95)
	Less: Taxes Paid/(Refund)-net		**12,174.75**	1,410.22
	Net Cash from/(used in) Operating Activities	**(A)**	**(22,594.43)**	(64,329.17)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Sale of Fixed Assets/Adjustment on account of disposal/cessation of Subsidiaries (Net)		**12,412.59**	1,456.93
	(Increase) in Fixed Assets (Including Capital Work-in-Progress)		**(75,906.68)**	(49,034.43)
	(Increase)/Decrease in Pre-Operative Expenditure pending Allocation		**559.08**	(1,332.69)
	Share in Profit/(Loss) of Associates		**(5.09)**	(0.19)
	Adjustment on Disposal/Dilution of Subsidiaries/Associates		**(1,032.21)**	49.74
	Interest Received		**5,175.91**	743.09
	(Increase)/Decrease in Other Bank Balances		**(1,209.56)**	2,408.51
	(Purchase)/Sale of Investments (Net)		**2,903.45**	(7,775.98)
	(Increase) in Goodwill on Consolidation		**(11,001.62)**	(39.59)
	Income from Investments and Securities Division		**16.15**	279.59
	Net Cash from/(used in) Investing Activities	**(B)**	**(68,087.98)**	(53,245.02)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Increase in Equity Share Capital		**157.53**	10.63
	(Decrease) in Preference Share Capital		**(155.95)**	(150.84)
	Share Premium Received		**2,642.80**	260.69
	Increase/(Decrease) in Foreign Currency Translation Reserve on Consolidation		**(1,204.10)**	2,460.86
	Increase/(Decrease) in Share Application Money		**(5,448.74)**	448.74
	Increase in Minority Interest		**1,975.71**	100.91
	Adjustment in Deferred Tax Liabilities		**-**	7.96
	Increase in Long Term Borrowings		**150,768.30**	91,484.47
	Increase/(Decrease) in Short Term Borrowings		**(21,484.06)**	38,656.45
	Redemption Premium paid on Foreign Currency Convertible Bonds		**-**	(1,133.67)
	Finance Costs		**(40,774.95)**	(15,563.88)
	Payment of Dividend		**(211.25)**	(350.55)
	Tax on Dividend		**(31.33)**	(57.81)
	Share Issue Expenses		**(12.91)**	(0.25)
	Net Cash from/(used in) Financing Activities	**(C)**	**86,221.05**	116,173.71
	Net Change in Cash and Cash Equivalents	**(A+B+C)**	**(4,461.36)**	(1,400.48)
	Cash and Cash Equivalents at beginning of the period		**6,911.35**	8,311.83
	Cash and Cash Equivalents at end of the period		**2,449.99**	6,911.35
	Other Bank Balances		**6,554.13**	5,344.57
	Cash and Bank Balances at the end of the period (Note No. 19)		**9,004.12**	12,255.92

As per our report of even date

For and on behalf of the Board

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No. 104180

For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner
Membership No. 31055

VINOD KUMAR BOHRA
Company Secretary

V. N. DHOOT
Chairman and Managing Director

S. PADMANABHAN
Director

Place : Mumbai
Date : 29th November, 2013

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Consolidation:

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

b) The financial statements of the subsidiary companies used in the preparation of the CFS are drawn upto the same reporting date as that of the Company i.e., 30th June, 2013 except in case of Liberty Videocon General Insuance Company Limited whereby the financial statements are drawn and considered upto 31st March, 2013. There are no material significant events between the period 1st April, 2013 to 30th June, 2013.

c) The CFS have been prepared in accordance with the Accounting Standard (AS) 21 "Consolidated Financial Statements", Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures" and Accounting Standard (AS) 23 "Accounting for investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

d) Principles of Consolidation:

The CFS have been prepared on the following basis:

i) The financial statements of the Company, its subsidiary companies and jointly controlled entities have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances/transactions and unrealised profits or losses.

ii) All separate financial statements of subsidiaries, originally presented in currencies different from the Group's presentation currency, have been converted into Indian Rupees (INR) which is the functional currency of the Parent Company. In case of foreign subsidiaries being non-integral foreign operations, revenue items have been consolidated at the average of the rate prevailing during the year. All assets and liabilities are translated at rates prevailing at the balance sheet date. The exchange difference arising on the translation is debited or credited to Foreign Currency Translation Reserve.

iii) The CFS have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as Company's separate financial statements. In case of certain foreign subsidiaries and joint ventures, where the accounts have been prepared in compliance with local laws and/or International Financial Reporting Standards, appropriate adjustments for differences in accounting policies have been made to their financial statements while using in preparation of the CFS as required by AS 21 and AS 27 except: (a) In case on 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 enviroment and (b) in respect of depreciation/amortisation and retirements benefits, where it is not practicable to use uniform accounting policies. However, the amount of impact of these differences is not material.

iv) The excess of the cost to the Company of its investment in subsidiary over the Company's share of equity of the subsidiary as at the date on which investment in subsidiary is made, is recognised in the CFS as Goodwill. The excess of Company's share of equity and reserve of the subsidiary company over the cost of acquisition is treated as Capital Reserve in CFS.

v) The difference between the proceeds from disposal of investment in a Subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the Consolidated Statement of Profit and Loss as the profit or loss on disposal of Investment in Subsidiary.

vi) Minority interest's share of net profit of Consolidated Subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to Shareholders of the Company.

vii) Minority interest in the net assets of Consolidated Subsidiaries consists of (a) The amount of equity attributable to the minority shareholders at the date on which investment in a subsidiary is made and (b) The minority shareholders' share of movements in equity since the date the Parent Subsidiary relationship came into existence.

viii) Investments in associate companies in which the Company or any of its subsidiaries has significant influence but not a controlling interest, are reported according to the equity method. The carrying amount of the investment is adjusted for the post acquisition change in the Group's share of net assets of the investee. The Consolidated Statement of Profit and Loss includes the Company's share of the results of the operations of the investee.

B. Basis of Accounting:

a) The financial statements are prepared under historical cost convention, except for certain fixed assets which are revalued, using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP), the requirements of the Companies Act, 1956, including the mandatory Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006, 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 (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the regulations') and related orders and directions issued by the IRDA in this behalf.

b) Use of Estimates

The preparation of financial statements in confirmity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the 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. 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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

to the acquisition and installation of the respective assets but does not include tax/duty credits availed.

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

D. License/Spectrum Fees:

a) The one time non refundable entry fees paid for acquiring Licenses/Spectrum for providing Unified License (Access Services), along with the related borrowing cost is capitalized as an intangible asset and is 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 in the manner and at the rates specified in the Schedule XIV to the Companies Act, 1956, except a) on fixed assets of Consumer Electronics Division except Glass Shell Division; b) fixed assets of Telecommunications Division and; c) on office buildings acquired after 1st April, 2000, on which depreciation is provided on straight line method at the rates specified in the said Schedule or based on useful life of assets whichever is higher. Depreciation on fixed assets held outside India is calculated on straight line method at the rates prescribed in the aforesaid Schedule or based on useful life of assets whichever is higher. Producing Properties are depleted using the "Unit of Production Method". The rate of depletion is computed in proportion of oil and gas production achieved vis-a-vis proved reserves. Leasehold Land is amortised over the period of lease.

Intangibles: One time entry fees for acquiring licenses 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 it's carrying amount, the impairment loss is recognised by writing down such assets and producing properties to their recoverable amount. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

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) 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 Investments.

ii) Valuation:

Debt Securities - All debt securities are considered as 'held to maturity' and accordingly stated at historical cost adjusted for amortization of premium or accretion of discount on 'Straight Line' or 'Internal Rate of Return' basis (as applicable), in the revenue and Statement of Profit and Loss over the period of maturity/holding.

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

L. Inventories:

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

M. 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.

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

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

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

O. Revenue Recognition:

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

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

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

d) Revenue in respect of Telecommunications Services is 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.

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 proporation 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, subject to a minimum percentage as required under section 64V(1)(ii)(b) of the Insurance Act, 1938.

b) Acquisition costs:

Acquisition costs, defined as costs that vary with, and are primarily related to, the acquisition of new and renewal insurance contracts viz., commission, brokerage etc., are expensed in the year in which they are incurred.

c) Reinsurance Ceded:

Reinsurance cost, in respect of proportional reinsurance, is accrued at policy inception. Non-proportional reinsurance cost is recognized when incurred and due. Any subsequent revision to, refunds or cancellations of premiums are recognized in the year in which they occur.

d) Benefits Paid (including claims):

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

Amounts received/ receivable/ paid/ payable from/ to the coinsurers, under the terms of the coinsurance arrangements, is also recognized together with the recognition of the claim.

e) IBNR and IBNER (claims incurred but not reported and claims incurred but not enough reported):

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

f) Indian Motor Third Party Declined Risk Insurance Pool [DR Pool]:

In accordance with the directions of IRDA, the Company, together with other non-life insurance companies, participates in the Indian Motor Third Party Declined Risk Insurance Pool [DR Pool], a multilateral reinsurance arrangement in respect of specified commercial vehicles and where the policy issuing member insurer cede the insurance premium to the DR Pool. The DR Pool is administered by General Insurance Corporation of India ('GIC'). Share of declined pool transactions is accounted for based on the accounts rendered by the declined pool administrator.

Q. Foreign Currency Transactions:

a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions. Foreign

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

R. Employee Benefits:

a) Short Term Employees Benefits:

Short Term Employees Benefits are recognized as an expense at the undiscounted amount in the Consolidated Statement of Profit and Loss of the period/year 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.

Outside India:

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

S. Taxation:

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

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

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

U. Research and Development:

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

V. Accounting for Leases:

Where the Company is lessee:

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

b) Finance Leases:

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

ii) Assets acquired on or after 1st April, 2001, under finance lease or similar arrangements which effectively transfer to the Company, substantially all the risks and benefits incidental to ownership of the leased items, are capitalised at the lower of their fair value and present value of the minimum lease payments and are disclosed as leased assets.

W. Warranty:

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

X. Prior Period Items:

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

Y. Provision, Contingent Liabilities and Contingent Assets:

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

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

Contingent assets are not recognised in the financial statements.

Z. Other Accounting Policies:

These are consistent with the generally accepted accounting principles.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. **The companies which are included in the consolidation with their respective countries of incorporation and the percentage of ownership interest therein of the Company as on 30th June, 2013, are as under:**

Name of the Subsidiary	Country of Incorporation	Percentage of Ownership Interest as at	
		30th June, 2013	31st Dec., 2011
Chhattisgarh Power Ventures Private Limited	India	**100%**	100%
Eagle ECorp Limited (upto 20th June, 2013)	British Virgin Islands	**-**	100%
Liberty Videocon General Insurance Company Limited	India	**77.9%**	100%
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 Estelle Limited (1)	Mauritius	**100%**	100%
Videocon Ivory Limited (1)	Mauritius	**100%**	100%
Videocon Hydrocarbon Holdings Limited (1)	Cayman Islands	**100%**	100%
Videocon JPDA 06-103 Limited (2)	Cayman Islands	**100%**	100%
Videocon Indonesia Nunukan Inc. (2)	Cayman Islands	**100%**	100%
Videocon Energy Brazil Limited (2)	British Virgin Islands	**100%**	100%
Videocon Australia WA-388-P Limited (2)	Cayman Islands	**100%**	100%
Oil Services International S.A.S. (Liquidated on 10th July, 2012) (2)	France	**-**	100%
Videocon Mauritius Energy Limited (w.e.f. 17th December, 2012) (2)	Mauritius	**100%**	-
Videocon Mozambique Rovuma 1 Limited (3)	British Virgin Islands	**100%**	100%
Emerald Corporate Ventures Limited (upto 20th June, 2013) (formerly Videocon Energy Ventures Limited)	British Virgin Islands	**-**	100%
Mercury Corporate Ventures Limited (formerly Videocon Oman 56 Limited) (upto 20th June, 2013) (4)	British Virgin Islands	**-**	100%
Videocon International Electronics Limited	India	**100%**	100%
Jumbo Techno Services Private Limited (5)	India	**100%**	99%
Senior Consulting Private Limited (5)	India	**100%**	90%
Videocon Telecommunications Limited (5)	India	**90.8%**	99.9%
Datacom Telecommunications Private Limited (6)	India	**90.8%**	99.9%
Videocon Energy Limited	India	**100%**	100%
Proficient Energy Private Limited (7)	India	**100%**	100%
Applied Energy Private Limited (8)	India	**100%**	100%
Unity Power Private Limited (9)	India	**51%**	51%
Comet Power Private Limited (9)	India	**51%**	51%
Indigo Energy Private Limited (w.e.f. 16th January, 2013) (10)	India	**51%**	-
Percept Energy Private Limited (w.e.f. 16th January, 2013) (10)	India	**51%**	-

Name of the Associate/Joint Venture	Country of Incorporation	Percentage of Ownership Interest as at	
		30th June, 2013	31st Dec., 2011
IBV Brasil Petroleo Limitada (11)	Brazil	**50%**	50%
Videocon Infinity Infrastructure Private Limited	India	**50%**	50%
Goa Energy Private Limited (upto 1st March, 2012)	India	**-**	26%
Radium Energy Private Limited	India	**26%**	26%
Northwest Energy Private Limited (upto 7th January, 2013) (12)	India	**-**	47%

Notes:

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(₹ in Million)

3. SHARE CAPITAL		As at 30th June, 2013	As at 31st Dec., 2011
Authorised:			
500,000,000 (Previous year 500,000,000) Equity Shares of ₹ 10/- each		**5,000.00**	5,000.00
10,000,000 (Previous year 10,000,000) Redeemable Preference Shares of ₹ 100/- each		**1,000.00**	1,000.00
	Total	**6,000.00**	6,000.00
Issued, Subscribed and Paid-up:			
Equity Shares			
318,771,669 (Previous year 303,021,669) Equity Shares of ₹ 10/- each fully paid-up.		**3,187.72**	3,030.22
Less: Calls in Arrears - by others		**0.08**	0.11
	(a)	**3,187.64**	3,030.11
Preference Shares			
i) 4,523,990 (Previous year 4,523,990) 8% Cumulative Redeemable Preference Shares of ₹ 33.32 each (Previous year ₹ 66.66 each) fully paid-up, redeemable at par on 1st October, 2013.		**150.74**	301.56
ii) 76,870 (Previous year 76,870) 8% Cumulative Redeemable Preference Shares of ₹ 33.34 each (Previous year ₹ 100/- each) fully paid-up, redeemable at par on 1st February, 2014.		**2.56**	7.69
	(b)	**153.30**	309.25
	Total (a+b)	**3,340.94**	3,339.36

3.1 Reconciliation of the Number of Shares:	As at 30th June, 2013		As at 31st Dec., 2011	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
a) Equity Shares of ₹ 10/- each				
Outstanding at the beginning of the period	**303,021,669**	**3,030.22**	301,963,634	3,019.64
Issued during the period	**15,750,000**	**157.50**	1,058,035	10.58
Outstanding at the end of the period	**318,771,669**	**3,187.72**	303,021,669	3,030.22
b) 8% Cumulative Redeemable Preference Shares of ₹ 33.32 each (Previous year ₹ 66.66 each)				
Outstanding at the beginning of the period	**4,523,990**	**301.56**	4,523,990	452.40
Redeemed during the period	**-**	**150.82**	-	150.84
Outstanding at the end of the period	**4,523,990**	**150.74**	4,523,990	301.56
c) 8% Cumulative Redeemable Preference Shares of ₹ 33.34 each (Previous year ₹ 100/- each)				
Outstanding at the beginning of the period	**76,870**	**7.69**	76,870	7.69
Redeemed during the period	**-**	**5.13**	-	-
Outstanding at the end of the period	**76,870**	**2.56**	76,870	7.69

3.2 Rights, Preference and Restrictions:

a) 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.

b) 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.

c) The Preference Shares do not have voting rights. They have preference over equity shareholder as to dividend and in case of liquidation.

3.3 Details of Shareholders holding more than 5% Shares:

Name of Shareholders	As at 30th June, 2013		As at 31st Dec., 2011	
	No. of Shares	% of Holding	No. of Shares	% of Holding
a) Equity Shareholders				
a) Dome-Bell Electronics India Private Limited	**19,741,049**	**6.19**	19,067,113	6.29
b) Platinum Appliances Private Limited	**15,604,666**	**4.90**	15,604,666	5.15
c) Shree Dhoot Trading And Agencies Limited	**28,404,836**	**8.91**	26,015,207	8.59
d) Synergy Appliances Private Limited	**16,010,575**	**5.02**	16,010,575	5.28
e) Videocon Realty and Infrastructures Limited	**63,570,518**	**19.94**	63,566,495	20.98
b) 8% Cumulative Redeemable Preference Shares of ₹ 33.32 each (Previous year ₹ 66.66 each)				
a) LIC of India Limited	**441,990**	**9.77**	441,990	9.77
b) IDBI Bank Limited	**4,082,000**	**90.23**	4,082,000	90.23
c) 8% Cumulative Redeemable Preference Shares of ₹ 33.34 each (Previous year ₹ 100/- each)				
General Insurance Corporation of India Limited	**76,870**	**100.00**	76,870	100.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(₹ in Million)

4. RESERVES AND SURPLUS

			As at 30th June, 2013	As at 31st Dec., 2011
a)	**Capital Reserve (including Capital Subsidy)**			
	As per last Balance Sheet		**9.74**	9.74
		(a)	**9.74**	9.74
b)	**Capital Redemption Reserve**			
	As per last Balance Sheet		**688.33**	537.50
	Add: Transferred from Surplus in the Statement of Profit and Loss		**155.96**	150.83
		(b)	**844.29**	688.33
c)	**Securities Premium Account**			
	As per last Balance Sheet		**43,576.23**	43,403.87
	Add: Received during the year		**2,642.09**	259.66
	Less: Share Issue Expenses		**12.91**	0.25
	Less: Premium payable on Redemption of Convertible Bonds		**-**	87.05
			46,205.41	43,576.23
	Less: Calls in Arrears - by others		**1.59**	2.30
		(c)	**46,203.82**	43,573.93
d)	**Bond/Debenture Redemption Reserve**			
	As per last Balance Sheet		**1,053.17**	3,029.64
	Add/(Less): Transferred from/(to) Surplus in the Statement of Profit and Loss		**1,909.34**	(1,976.47)
		(d)	**2,962.51**	1,053.17
e)	**Legal Reserve**			
	As per last Balance Sheet		**0.01**	0.01
	Add/(Less): Adjustment on account of Foreign Currency Translation		**-**	-
		(e)	**0.01**	0.01
f)	**Foreign Currency Translation Reserve**			
	As per last Balance Sheet		**2,546.06**	85.20
	Add/(Less): During the period/year		**241.84**	2,460.86
		(f)	**2,787.90**	2,546.06
g)	**General Reserve**			
	As per last Balance Sheet		**16,201.48**	15,201.48
	Add: Transferred from Surplus in the Statement of Profit and Loss		**300.00**	1,000.00
		(g)	**16,501.48**	16,201.48
h)	**Surplus/(Deficit) in the Statement of Profit and Loss**			
	As per last Balance Sheet		**5,377.71**	18,414.22
	Add: Profit/(Loss) for the period		**(28,261.19)**	(13,637.66)
	Add: Transferred from Bond/Debenture Redemption Reserve		**-**	1,976.47
	Balance available for Appropriations		**(22,883.48)**	6,753.03
	Less: Appropriations			
	Transfer to Capital Redemption Reserve		**155.96**	150.83
	Transfer to Bond/Debenture Redemption Reserve		**1,909.34**	-
	Transfer to General Reserve		**300.00**	1,000.00
	Proposed Dividend - Equity Shares		**198.77**	159.39
	Proposed Dividend - Preference Shares		**27.68**	33.77
	Tax on Proposed Dividend		**38.48**	31.33
		(h)	**(25,513.71)**	5,377.71
		Total (a to h)	**43,796.04**	69,450.43

(₹ in Million)

5. LONG-TERM BORROWINGS

			As at 30th June, 2013		As at 31st Dec., 2011	
			Non-Current	**Current**	Non-Current	Current
a)	**Secured**					
	Non-Convertible Debentures		**-**	**-**	-	21.60
	Term Loans					
	i) Term Loans from Banks		**276,657.05**	**29,419.33**	91,156.44	16,334.73
	ii) Term Loans from Financial Institutions		**15,019.23**	**1,099.35**	7,155.89	983.59
	iii) External Commercial Borrowings		**-**	**589.41**	1,164.44	1,541.58
	iv) Vehicle Loan from Banks		**151.79**	**130.67**	148.00	76.74
	v) From Others		**0.05**	**-**	75.25	-
	vi) Deferred Payment Liabilities		**7,146.20**	**-**	-	-
		(a)	**298,974.32**	**31,238.76**	99,700.02	18,958.24
b)	**Unsecured**					
	Rupee Loans from Banks		**-**	**2,000.00**	6,749.94	30,331.35
	Foreign Currency Convertible Bonds		**11,652.34**	**-**	10,423.73	-
	Compulsorily Convertible Debentures		**115.59**	**-**	-	-
	Loan from Others		**27.66**	**-**	27,046.07	-
	Sales Tax Deferral		**16.64**	**8.78**	40.93	15.51
		(b)	**11,812.23**	**2,008.78**	44,260.67	30,346.86
		Total (a+b)	**310,786.55**	**33,247.54**	143,960.69	49,305.10

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.1 Secured Loans:

a) Term Loans from Banks and Financial Institutions:

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

Loans amounting to ₹ 146,566.53 Million are secured by first *pari-passu* charge on all present and future tangible/intangible assets (excluding the Identified Properties) of each of the Borrower, first *pari-passu* charge on the Trust and Retention Accounts of the Borrowers, second *pari-passu* charge on Identified Assets of Videocon Hydrocarbon Holdings Limited's (VHHL) subsidiaries through pledge of entire shareholding of VHHL in these overseas subsidiaries, second charge on pledge of 100% shares of Videocon Oil Ventures Limited and VHHL, second *pari-passu* charge on VHHL's share of cash flows from Identified Assets and second *pari-passu* charge over current assets of each of the Borrowers. The Rupee Term Loans are also secured by first ranking pledge by the promoters over equity shares of Videocon Industries Limited, Trend Electronics Limited and Value Industries Limited held by them, the personal guarantees of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot, Mr. Rajkumar N. Dhoot and first *pari-passu* charge on 'Videocon' brand. However, charge has not been created in favor of such Consortium of banks (A) for the credit facility to the Obligors on the assets by way of pledge of shares of the subsidiaries viz. Videocon Mauritius Energy Limited and Videocon Mozambique Rovuma 1 Limited, which have been pledged to Standard Chartered Bank for the loans mentioned in Sr. No. (x) of the Note No. 5.1(a); (B) for any other receivables from Videocon Mozambique Rovuma 1 Limited and (C) on any assets of Videocon Mozambique Rovuma 1 Limited; (Also refer Note No. 37)

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 ₹ 108,942.38 Million under this LoC/SBLC facility is secured by first ranking pledge of 100% shares of VOVL, VHHL and shares of certain subsidiaries of VHHL, charge over their fixed assets, VHHL's share of cash flows from identified oil & gas assets through escrow of receivables, first ranking/exclusive charge on specified bank accounts for the benefit of the relevant LoC/SBLC provider, exclusive charge on oil & gas facility servicing account of Obligors set-up under the onshore Trust and Retention Accounts, negative lien for shares of other subsidiaries of VHHL viz. Videocon JPDA 06-103 Limited and Videocon Australia WA-388-P Limited, first *pari-passu* charge on Videocon brand and personal guarantees of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot and Mr. Rajkumar N. Dhoot. However, charge has not been created in favor of such Consortium of banks (A) for the credit facility to the Obligors on the assets by way of pledge of shares of the subsidiaries viz. Videocon Mauritius Energy Limited and Videocon Mozambique Rovuma 1 Limited, which have been pledged to Standard Chartered Bank for the loans mentioned in Sr. No. (x) of the Note No. 5.1(a); (B) for any other receivables from Videocon Mozambique Rovuma 1 Limited and (C) on any assets of Videocon Mozambique Rovuma 1 Limited.

iii) Loans amounting to ₹ 2,250.00 Million is secured by subservient charge on entire movables and current assets, both present and future of the Company and 12 other borrowers except for the assets of Ravva Oil Field. The loans are further secured by subservient charge on 'Videocon' and 'Kenstar' brands and irrevocable and unconditional personal guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

iv) Loans amounting to ₹ 1,200.00 Million is secured by first *pari-passu* charge over the fixed assets situated at Bharuch and Aurangabad, both present and future.

v) Loans amounting to ₹ 9,583.33 Million are secured by Equitable Mortgage on *pari-passu* basis on immovable property situated at Videocon Tower, New Delhi and immovable property including land, building and machinery situated at Village Manjra, Warora, Dist. Chandrapur. The loans are further 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.

vi) Loans amounting to ₹ 581.03 Million is secured by mortgage of immovable assets and first charge on movable assets, cash flows and intangible assets pertaining to the 5.75 MW Multi Crystelline Silicon Photovoltaic Technology Project at Warora.

vii) Loans amounting to ₹ 33,710.00 Million are secured by first *pari-passu* charge on existing and future assets of the Subsidiary Company viz. Videocon Telecommunications Limited (VTL), assignment of all telecom licenses held VTL by way of tripartite agreement to be executed between the Department of Telecommunications, VTL and Lenders and personal guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

viii) Loans amounting to ₹ 590.55 Million is secured by mortgage and first charge on entire immovable properties, both present and future of the Subsidiary Company viz. Comet Power Private Limited, first charge on cash flows, receivables, book debts and revenues, first charge on entire intangible assets, both present and future, first charge by way of hypothecation/mortgage/assignment of all the rights, titles, interest, benefits, claims and demands in project documents and power purchase agreement, clearances in letter of credit, guarantee, performance bond, corporate guarantee provided by project documents, first charge on trust and retention account and personal gurantee of Mr. Venugopal N. Dhoot.

ix) Loans amounting to ₹ 429.50 Million is secured by mortgage and first charge on entire immovable properties, both present and future of the Subsidiary Company viz. Unity 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 gurantee of Mr. Venugopal N. Dhoot.

x) Loans amounting to ₹ 18,341.64 Million are secured primarily by pledge of shares of the subsidiaries of Videocon Hydrocarbon Holdings Limited (VHHL) viz. Videocon Mauritius Energy Limited and Videocon Mozambique Rovuma 1 Limited, assignment of certain receivables of VHHL and charge over specified bank accounts maintained with Standard Chartered Bank.

Some of the loans are also secured by pledge of certain investments of the Company.

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

d) Deferred Payment Liabilities:

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

5.2 Unsecured Loans:

a) Unsecured Rupee Loans from Banks are guaranteed by Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

b) The Parent Company had, during the year 2010, issued 2,000 Foreign Currency Convertible Bonds of US$ 100,000 each (Bonds) due on 16th December, 2015, out of which 1,944 (Previous year 1,944) Bonds are outstanding.

i) The Bonds are convertible at the option of the bondholders at any time on or after 25th January, 2011 to 7 days before maturity date i.e. 16th December, 2015, at a fixed exchange rate of ₹ 45.255 per 1 US$ and at initial conversion price of ₹ 239.5265 per share being at premium of 3% over reference share price. The conversion price will be subject to adjustment for, among other things, subdivision or consolidation of shares, rights issues, capital distributions, stock dividends and other dilutive events.

ii) The Bonds are redeemable in whole but not in part at the option of the Company on or after 15th December, 2013, if the closing price of shares for each of the 30 consecutive trading days prior to the date on which notice of such redemption is given was at least 130% of the conversion price.

iii) The Bonds are redeemable at maturity date i.e. on 16th December, 2015 at its principal amount, if not redeemed or converted earlier.

c) 0%, 11,559,100 Compulsorily Convertible Debentures (CCD) of face value of ₹ 10/- each. The CCD will be converted without any further act or application by the CCD holders into the equity shares of ₹ 10/- each of the Subsidiary Company Unity Appliances Private Limited credited as fully paid-up on or after 30th June, 2017.

d) The Parent Company has availed interest free Sales Tax Deferral under Special Incentive to Prestigious Unit (Modified) Scheme. Out of total outstanding, ₹ 8.78 Million is repayable in FY 2013-14, ₹ 12.48 Million is repayable in FY 2014-15 and balance amount of ₹ 4.16 Million is repayable in FY 2015-16.

(₹ in Million)

5.3 Maturity Profile of Secured Loans:

	Term Loans from Banks	Term Loans from Financial Institutions	Vehicle Loan from Banks
Financial Year 2014-15	20,797.25	874.61	84.46
Financial Year 2015-16	78,238.75	781.04	58.22
Financial Year 2016-17	12,437.39	1,359.16	9.11
Financial Year 2017-18	24,677.78	1,746.51	-
Financial Year 2018-19	30,785.42	2,686.34	-
Financial Year 2019-20	37,566.62	2,735.10	-
Financial Year 2020-21	35,025.11	2,301.75	-
Financial Year 2021-22	27,018.31	2,051.44	-
Financial Year 2022-23	1,610.93	452.53	-
Financial Year 2023-24	-	30.75	-
Financial Year 2024-25	-	-	
Financial Year 2025-26	-	-	
Financial Year 2026-27	8,499.49	-	

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

(₹ in Million)

		As at 30th June, 2013	As at 31st Dec., 2011
6. LONG-TERM PROVISIONS			
Provision for Gratuity (Refer Note No. 32B)		**161.62**	106.36
Provision for Leave Encashment (Refer Note No. 32B)		**58.27**	49.52
Provision for Abandonment and Site Restoration Costs		**1,279.51**	1,143.86
	Total	**1,499.40**	1,299.74
7. SHORT-TERM BORROWINGS			
Secured			
Loan from Banks		**21,039.46**	29,573.50
Working Capital Loans from Banks		**15,476.39**	9,351.89
	(a)	**36,515.85**	38,925.39
Unsecured			
Loan from Banks		**7,620.83**	40,642.32
Loan from Others		**13,946.97**	-
	(b)	**21,567.80**	40,642.32
	Total (a+b)	**58,083.65**	79,567.71

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7.1 Secured Loans

a) Short Term Loans from Banks

i) Loans amounting to ₹ 15,000.00 Million are secured by subservient charge on entire movables and current assets, both present and future of the Company and 12 other borrowers except for the assets of Ravva Oil Field. The loans are further secured by subservient charge on 'Videocon' and 'Kenstar' brands and irrevocable and unconditional personal guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

ii) Loans amounting to ₹ 2,500.00 Million is secured by mortgage of properties owned by the Company and owned by others. The loan is further secured by personal guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

iii) For security of loans amounting to ₹ 3,000.00 Million Refer Note No. 5.1 (a) (i).

iv) For security of loans amounting to ₹ 539.46 Million Refer Note No. 5.1 (a) (ii).

b) Working Capital Loans from Banks are secured by hypothecation of the Company's stock of raw materials, packing materials, stock-in-process, finished goods, stores and spares, book debts of Glass Shell Division only and personal guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

7.2 Unsecured Loans

Unsecured Loans from Banks are secured by personal guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot and loans amounting to ₹ 5,000.00 Million are further secured by mortgage of properties owned by others situated at Ahmedabad, Aurangabad and Mumbai.

(₹ in Million)

		As at 30th June, 2013	As at 31st Dec., 2011
8.	**TRADE PAYABLES**		
	Micro, Small and Medium Enterprises	**79.93**	4.61
	Others	**15,695.71**	14,146.85
	Total	**15,775.64**	14,151.46
9.	**OTHER CURRENT LIABILITIES**		
	Current maturities of Long-term Borrowings (Refer Note No. 5)	**33,247.54**	49,305.10
	Bank Overdraft as per books	**889.11**	82.55
	Interest accrued but not due on Borrowings	**3,250.36**	513.53
	Interest accrued and due on Borrowings	**4,674.09**	-
	Advances from Customers and Unearned Income	**483.66**	436.10
	Unclaimed Dividend	**10.44**	28.53
	Creditors for Capital Expenditure	**9,735.73**	9,867.97
	Other Payables	**6,070.11**	6,902.97
	Total	**58,361.04**	67,136.75
10.	**SHORT-TERM PROVISIONS**		
	Proposed Dividend - Equity Shares	**198.77**	159.39
	Proposed Dividend - Preference Shares	**27.68**	33.77
	Provision for Tax on Dividend	**38.48**	31.33
	Provision for Warranty and Maintenance Expenses (Refer Note No. 43)	**653.24**	632.15
	Premium Deficiency Reserve	**2.38**	-
	Provision for Gratuity (Refer Note No. 32B)	**36.28**	31.91
	Provision for Leave Encashment (Refer Note No. 32B)	**9.60**	18.45
	Total	**966.43**	907.00

11. FIXED ASSETS

(₹ in Million)

Particulars	Gross Block						Depreciation/Amortisation/Impairment						Net Block	
	As at 31st Dec., 2011	Addition on Acquisition	Additions	Deductions/ Adjustments	Currency Translation Adjustments	As at 30th June, 2013	As at 31st Dec., 2011	Addition on Acquisition	For the period	Deductions/ Adjustments	Currency Translation Adjustments	As at 30th June, 2013	As at 30th June, 2013	As at 31st Dec., 2011
i) Tangible Assets														
Freehold Land	875.43	-	4.94	1.64	-	**878.73**	-	-	-	-	-	**-**	**878.73**	875.43
Leasehold Land	48.05	-	-	-	-	**48.05**	10.98	-	1.17	-	-	**12.15**	**35.90**	37.07
Building	6,813.49	-	15.59	24.70	16.67	**6,821.05**	2,275.28	-	262.00	2.87	4.30	**2,538.71**	**4,282.34**	4,538.21
Leasehold Improvements	846.67	-	66.78	79.16	-	**834.29**	202.66	-	92.55	19.78	-	**275.43**	**558.86**	644.01
Plant and Machinery	111,583.31	-	12,832.32	1,554.44	9.99	**122,871.18**	44,891.23	-	10,381.30	1,097.68	9.82	**54,184.67**	**68,686.51**	66,692.08
Furnace	1,576.39	-	-	-	-	**1,576.39**	1,538.47	-	22.15	-	-	**1,560.62**	**15.77**	37.92
Electrical Installation	158.94	-	13.98	-	-	**172.92**	102.80	-	10.83	-	-	**113.63**	**59.29**	56.14
Computers	366.67	-	108.47	5.13	(0.16)	**469.85**	279.88	-	48.66	2.81	(0.13)	**325.60**	**144.25**	86.79
Furniture and Fixtures	356.31	-	115.00	9.71	7.24	**468.84**	180.81	-	41.00	2.33	3.68	**223.16**	**245.68**	175.50
Office Equipments	396.63	-	22.35	17.39	-	**401.59**	219.39	-	24.89	4.08	-	**240.20**	**161.39**	177.24
Vehicles	1,068.64	-	259.18	36.54	1.01	**1,292.29**	527.05	-	157.86	25.46	0.45	**659.90**	**632.39**	541.59
Others	4.68	-	16.21	-	0.31	**21.20**	2.17	-	4.26	-	0.57	**7.00**	**14.20**	2.51
Total (i)	**124,095.21**	**-**	**13,454.82**	**1,728.71**	**35.06**	**135,856.38**	**50,230.72**	**-**	**11,046.67**	**1,155.01**	**18.69**	**60,141.07**	**75,715.31**	**73,864.49**
ii) Intangible Assets														
Computer Software	1,114.70	-	126.38	-	0.01	**1,241.09**	494.99	-	306.56	-	-	**801.55**	**439.54**	619.71
License Fees	18,343.33	-	22,274.40	18,283.96	-	**22,333.77**	1,528.04	-	1,522.19	2,631.17	-	**419.06**	**21,914.71**	16,815.29
Producing Properties	4,809.46	-	37.85	-	-	**4,847.31**	4,044.23	-	381.70	-	-	**4,425.93**	**421.38**	765.23
Others	482.32	-	0.03	-	(31.14)	**451.21**	0.25	-	0.07	-	(0.02)	**0.30**	**450.91**	482.07
Total (ii)	**24,749.81**	**-**	**22,438.66**	**18,283.96**	**(31.13)**	**28,873.38**	**6,067.51**	**-**	**2,210.52**	**2,631.17**	**(0.02)**	**5,646.84**	**23,226.54**	**18,682.30**
Total (i+ii)	**148,845.02**	**-**	**35,893.48**	**20,012.67**	**3.93**	**164,729.76**	**56,298.23**	**-**	**13,257.19**	**3,786.18**	**18.67**	**65,787.91**	**98,941.85**	**92,546.79**
Previous year as at 31st Dec., 2011	135,674.68	2.87	17,264.69	4,224.32	127.10	**148,845.02**	50,025.92	0.51	9,161.24	2,947.77	58.33	**56,298.23**	**92,546.79**	
iii) Capital Work-in-Progress	55,223.46					**95,252.89**							**95,252.89**	55,223.46

*Gross Block of Plant and Machinery includes the amount added on revaluation on 1st April, 1998 and 1st October, 2002.

Notes:

i) Plant and Machinery (Gross Block) includes assets capitalised under finance lease of ₹ 806.14 Million (Previous year ₹ 806.14 Million) and corresponding accumulated depreciation of ₹ 515.55 Million (Previous year ₹ 274.24 Million).

ii) Computer Software (Gross Block) includes assets capitalised under finance lease of ₹ 10.71 Million (Previous year ₹ Nil) and corresponding accumulated depreciation of ₹ 0.85 Million (Previous year ₹ Nil).

iii) Out of the Depreciation for the period, an amount of ₹ 1.49 Million (Previous year ₹ 0.49 Million) is transferred to "Pre-Operative Expenditure Pending Allocation".

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(₹ in Million)

12. PRE-OPERATIVE EXPENDITURE PENDING ALLOCATION	As at 30th June, 2013	As at 31st Dec., 2011
Balance as per last Balance Sheet	**2,165.20**	832.51
Add: Incurred during the period/year	**679.69**	1,489.63
	2,844.89	2,322.14
Less: Expenditure apportioned over cost of Fixed Assets/Capital Work-in Progress/Capital Advances	**421.63**	113.10
Less: Transfer to Statement of Profit and Loss	**817.14**	43.84
Total	**1,606.12**	2,165.20

13. DEFERRED TAX ASEETS/(LIABILITY) - Net		
a) Deferred Tax Assets		
i) Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961	**346.11**	64.02
ii) Unabsorbed Depreciation/Carried Forward Losses	**13,328.80**	-
iii) Tax Credit Entitlement (Foreign Country)	**13,431.77**	-
iv) Others	**192.79**	459.92
(a)	**27,299.47**	523.94
b) Deferred Tax Liability		
Related to Depreciation and Amortisation on Fixed Assets	**9,374.13**	7,875.13
(b)	**9,374.13**	7,875.13
Net Deferred Tax Assets/(Liability) (a-b)	**17,925.34**	(7,351.19)

13.1 The Subsidiary, Videocon Telecommunications Limited (VTL) has evaluated its future taxable income after it has been awarded the Unified Licenses (Access services) in 6 circles with effect from 16th February 2013 which are valid for a period of 20 years and also been allotted 5Mhz spectrum in 1800 Mhz category in each of these 6 circles. The management is of the opinion that there is a virtual certainty, based on the future business plan, estimated increase in subscribers base and considering additional capital infusion into the Company which would restrict further borrowings and related costs, that sufficient future taxable income will be available against which the deferred tax assets can be realized. Accordingly, VTL has recognized net deferred tax assets of ₹11,583.48 Million on the unabsorbed depreciation and business losses.

(₹ in Million)

14. NON-CURRENT INVESTMENTS	As at 30th June, 2013	As at 31st Dec., 2011
QUOTED		
i) In Equity Shares (Fully paid-up) - Trade	**38.04**	50.84
ii) In Equity Shares (Fully paid-up) - Others	**176.93**	167.06
UNQUOTED		
i) In Equity Shares (Fully Paid-up) - Trade	**1,281.74**	1,330.42
ii) In Equity Shares (Fully Paid-up) - Others	**530.76**	417.53
iii) In Preference Shares (Fully paid-up)	**1,020.38**	0.38
iv) In Debentures/Bonds	**4,452.67**	3,908.30
v) In Other Investments	**48.45**	0.54
SHARE APPLICATION MONEY PENDING ALLOTMENT	**-**	5,000.00
Total	**7,548.97**	10,875.07

(₹ in Million)

15. LONG TERM LOANS AND ADVANCES (Unsecured, considered good)	As at 30th June, 2013	As at 31st Dec., 2011
Capital Advances	**13,049.80**	15,413.26
Security/Other Deposits	**468.60**	1,017.17
Advance Income Tax (Net of Provision)	**470.38**	128.65
MAT Credit Entitlement	**7.51**	-
Balance with Central Excise/Customs Department	**2,705.08**	1,766.14
Loans and Advances to Others	**26,828.66**	18,935.61
Total	**43,530.03**	37,260.83
16. CURRENT INVESTMENTS		
UNQUOTED - Others		
In Units of Mutual Funds	**48.52**	208.11
In Bonds	**50.80**	-
In Government or Trust Securities	**433.90**	-
In Certificate of Deposits	**99.27**	-
Total	**632.49**	208.11
17. INVENTORIES		
(As taken, valued and certified by the Management)		
Raw Materials including Consumables, Stores and Spares	**13,527.94**	13,583.66
Materials in Transit and in Bonded Warehouse	**2,560.53**	2,295.62
Work-in-Process	**994.04**	830.39
Finished Goods and Stock in Trade	**4,172.90**	3,800.85
Drilling and Production Materials	**266.22**	247.41
Crude Oil	**103.02**	60.51
Sim Card	**32.17**	78.97
Total	**21,656.82**	20,897.41
18. TRADE RECEIVABLES (Unsecured)		
Outstanding for a period exceeding six months		
Considered Good	**715.10**	251.41
Considered Doubtful	**316.41**	338.40
	1,031.51	589.81
Less: Provision for Doubtful Debts	**316.41**	338.40
	715.10	251.41
Others - Considered Good	**28,718.84**	27,901.70
Total	**29,433.94**	28,153.11
19. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on hand	**18.50**	11.63
Cheques/Drafts on hand/in transit	**0.63**	0.47
Balances with Banks		
- In Current Accounts	**2,000.86**	1,632.05
- In Fixed Deposits having maturity of 3 months or less	**430.00**	5,267.20
Sub-Total	**2,449.99**	6,911.35
Other Bank Balances		
In Dividend Warrant Accounts	**10.44**	28.53
In Earmarked Accounts	**750.93**	259.50
In Fixed Deposits earmarked towards Site Restoration	**624.14**	279.81
In Fixed Deposits (held as margin money for credit facilities)		
- Maturity 12 months or less	**3,761.26**	3,053.77
- Maturity more than 12 months	**1,407.36**	1,722.96
Sub-Total	**6,554.13**	5,344.57
Total	**9,004.12**	12,255.92

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(₹ in Million)

20. SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)	As at 30th June, 2013	As at 31st Dec., 2011
Balance with Central Excise/Customs Department	937.24	1,480.11
Deposits	223.08	1.40
Loans and Advances to Related Parties (Refer Note No. 41)	0.54	368.58
Loans and Advances to Others	155,961.73	130,259.68
Total	157,122.59	132,109.77
21. OTHER CURRENT ASSETS		
Interest Accrued	620.47	417.71
Insurance Claim Receivable	1.45	10.71
Other Receivables	332.89	515.08
Preliminary Expenses (to the extent not written off)	-	0.09
Total	954.81	943.59

(₹ in Million)

22. REVENUE FROM OPERATIONS	Period ended 30th June, 2013	Year ended 31st Dec., 2011
Sale of Products/Services	193,752.71	136,692.28
Income from Other Services	89.75	38.44
Other Operating Revenue	396.07	114.35
Total	194,238.53	136,845.07
22.1 Particulars of Sale of Products/ Services		
Electrical and Electronic items	167,315.57	115,499.16
Crude Oil and Natural Gas	19,700.64	14,934.64
Telecommunication Services	6,052.26	6,226.25
Electrical Energy (Power)	688.86	32.23
Insurance Business - Premium Earned (Net)	(4.62)	-
	193,752.71	136,692.28
23. OTHER INCOME		
Interest Income	5,175.91	743.09
Income from Investments and Securities Division	17.88	98.77
Profit on Sale of Fixed Assets	-	180.38
Insurance Claim Received	34.12	160.04
Other Non Operating Income	3,675.13	193.46
Total	8,903.04	1,375.74
24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE		
Closing Inventories		
Finished Goods and Stock-in-Trade	4,275.92	3,861.36
Work-in-Process	994.04	830.39
Sub-Total	5,269.96	4,691.75
Opening Inventories		
Finished Goods and Stock-in-Trade	3,861.36	3,777.62
Work-in-Process	830.39	776.49
Sub-Total	4,691.75	4,554.11
Total	(578.21)	(137.64)

(₹ in Million)

25. PRODUCTION AND EXPLORATION EXPENSE - OIL AND GAS	Period ended 30th June, 2013	Year ended 31st Dec., 2011
Production and Exploration Expenses	14,982.65	783.99
Royalty	322.01	245.42
Cess	371.20	310.38
Production Bonus	71.66	54.44
Government Share in Profit Petroleum	10,812.77	7,587.37
Insurance Expenses	42.05	26.16
Total	26,602.34	9,007.76
26. ACCESS CHARGES, LICENSE FEES AND NETWORK EXPENSES		
Access and Roaming Charges	3,207.91	4,830.65
License Fees and WPC Charges	352.00	246.71
Rent	3,266.62	3,012.58
Leased Line, Port and Bandwidth Charges	986.05	909.12
Power and Fuel	1,145.77	1,002.23
IT Expenses	177.13	532.26
Other Value Added Services Charges	96.37	100.39
Network Expenses- Others	190.62	234.01
Site Expenses- Managed Services	60.48	502.10
Freight and Carriage Expenses	4.65	-
Repairs and Maintenance- Site Buildings	17.74	11.34
Total	9,505.34	11,381.39
27. EMPLOYEE BENEFITS EXPENSE		
Salary, Wages and Other Benefits	5,221.09	3,570.74
Contribution to Provident Fund and Other Funds (Refer Note No. 32A)	255.07	181.39
Staff Welfare Expenses	232.72	123.12
Total	5,708.88	3,875.25
28. FINANCE COSTS		
Interest Expenses	38,716.00	15,385.48
Other Borrowing Costs	1,081.22	178.40
Applicable Net Loss/(Gain) on Foreign Currency Transactions	977.73	-
Total	40,774.95	15,563.88
29. OTHER EXPENSES		
Power, Fuel and Water	1,432.19	860.71
Freight and Forwarding	2,098.95	1,442.57
Rent, Rates and Taxes	686.48	383.25
Repairs to Building	25.11	16.58
Repairs to Plant and Machinery	91.21	63.95
Other Repairs and Maintenance	225.43	213.60
Insurance	114.46	78.78
Advertisement and Publicity	2,689.14	1,615.11
Sales Promotion Expenses	215.55	125.77
Discount and Incentive Schemes	7,136.27	5,725.54
Bank Charges	386.40	677.63
Payment to Auditors'	29.07	20.23
Donation	89.91	50.54
Directors' Sitting Fees	2.34	1.40
Legal and Professional Charges	452.46	897.40
Liquidated Damages	1.30	-
Sim Cost	44.60	127.98
Customer Service Cost	190.53	347.66
Claim and Commission related to Insurance Business	4.00	-
Royalty	262.39	180.76
Printing and Stationery	42.26	42.89
Warranty and Maintenance	1,332.68	819.81
Provision for Doubtful Debts	179.74	94.73
Loss on Sale/Discard of Assets, Capital Work-in-Progress including Pre-Operative Expenditure pending Capitalisation	3,813.90	-
Exchange Rate Fluctuation	5,314.66	3,013.23
Office and General Expenses	2,088.70	1,132.59
Total	28,949.73	17,932.71

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30. TAX EXPENSES

Income Tax Expense includes Current Income Tax of ₹ 11,987.80 Million (Previous year ₹ 1,304.87 Million), Deferred Tax Credit ₹ 11,844.76 Million (Previous year Debit of ₹ 602.00 Million), Tax Credit Entitlement (Foreign Company) of ₹ 11,985.83 Million (Previous year ₹ Nil) and Excess Provision of Income Tax for earlier years written back ₹ 162.29 Million (Previous year Short Provision of Income Tax ₹ 57.44 Million).

(₹ in Million)

31. EARNINGS PER SHARE	Period ended 30th June, 2013	Year ended 31st Dec., 2011
i) Net Profit/(Loss) attributable to Equity Shareholders		
Net Profit/(Loss) for the period after tax adjustments for earlier years	**(28,261.19)**	(13,637.66)
Less: Dividend on Preference Shares including Tax on the same	**32.38**	39.25
Net Profit/(Loss) attributable to Equity Shareholders	**(28,293.57)**	(13,676.91)
ii) Weighted Average Number of Equity Shares considered for calculation of Basic EPS	**314,683,004**	302,308,789
Weighted Average Number of Equity Shares considered for calculation of Diluted EPS	**314,683,004**	302,308,789
(The effect of conversion option of FCCBs is anti dilutive in nature)		
iii) Basic Earnings per Share of ₹ 10/- each (₹)	**(89.91)**	(45.24)
Diluted Earnings per Share of ₹ 10/- each (₹)	**(89.91)**	(45.24)

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

A) Defined Contribution Plans:

Amount of ₹ 255.07 Million (Previous year ₹ 181.39 Million) related to contribution to Provident and Other Funds are recognised as an expense and shown under the head "Employee Benefits Expense" (Refer Note No. 27) in the Consolidated Statement of Profit and Loss.

(₹ in Million)

B) Defined Benefit Plans:	Gratuity		Leave Encashment	
	30th June, 2013	31st Dec., 2011	30th June, 2013	31st Dec., 2011
I) The amounts recognised in the Balance Sheet as at the end of the period:				
a) Present value of Defined Benefit Obligation	**253.24**	193.01	**67.87**	67.36
b) Fair value of Plan Assets	**55.34**	54.74	**-**	-
c) Funded Status - Surplus/(Deficit)	**(197.90)**	(138.27)	**(67.87)**	(67.36)
d) Net Assets/(Liability)				
i) Non Current	**(161.62)**	(106.36)	**(58.27)**	(49.52)
ii) Current	**(36.28)**	(31.91)	**(9.60)**	(17.84)
II) The amounts recognised in the Statement of Profit and Loss for the period:				
a) Current Service Cost	**70.06**	37.87	**26.52**	18.61
b) Interest Cost	**26.07**	12.47	**7.62**	4.96
c) Actuarial (Gains)/Losses	**19.48**	14.31	**21.39**	11.59
d) Past Service Cost	**-**	-	**0.01**	-
e) Actual return on Plan Assets	**7.52**	4.31	**-**	-
f) Total Expenses	**108.09**	60.34	**55.54**	35.16
III) The changes in Obligations during the period:				
a) Present value of Defined Benefit Obligation at the beginning of the period	**193.01**	157.78	**67.36**	64.34
b) Current Service Cost	**70.06**	37.87	**26.52**	18.61
c) Interest Cost	**26.07**	12.47	**7.62**	4.96
d) Actuarial (Gains)/Losses	**19.48**	14.31	**21.39**	11.59
e) Past Service Cost	**-**	-	**0.01**	-
f) Benefit Payments	**55.38**	29.42	**55.03**	32.14
g) Present value of Defined Benefit Obligation at the end of the period	**253.24**	193.01	**67.87**	67.36
IV) The changes in Plan Assets during the period:				
a) Plan Assets at the beginning of the period	**54.74**	50.05	**-**	-
b) Contribution by Employer	**8.36**	8.57	**-**	-
c) Actual Benefits paid	**15.28**	8.19	**-**	-
d) Plan Assets at the end of the period	**55.34**	54.74	**-**	-
e) Actual return on Plan Assets	**7.52**	4.31	**-**	-

V) Actuarial Assumptions

a) Discount Rate	-	8% per annum
b) Mortality	-	LIC (1994-96) Ultimate
c) Turnover Rate	-	5% at younger ages reducing to 1% at older ages
d) Future Salary Increase	-	5% per annum

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(₹ in Million)

33. CONTINGENT LIABILITIES AND COMMITMENTS	As at 30th June, 2013	As at 31st Dec., 2011
A) Commitments		
Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	**591.20**	29,693.72
B) Contingent Liabilities not provided for:		
i) Letters of Guarantees	**39,315.56**	49,655.61
ii) Letters of Credit opened (including Standby Letters of Credit)	**21,668.51**	29,921.44
iii) Claims against the Company not acknowledged as debts		
a) Custom Duty demands and penalties under dispute [Amount paid under protest ₹ 3.41 Million (Previous year ₹ 0.07 Million)]	**502.46**	447.02
b) Income Tax demands under dispute	**3,149.41**	494.74
c) Excise Duty and Service Tax demands and penalties under dispute [Amount paid under protest ₹ 30.86 Million (Previous year ₹ 4.21 Million)]	**1,034.95**	610.88
d) Sales Tax demands under dispute [Amount paid under protest ₹ 377.09 Million (Previous year ₹ 360.08 Million)]	**1,131.51**	919.84
e) Others [Amount paid under protest ₹ 50.00 Million (Previous year ₹ 50.00 Million)]	**4,966.95**	1,062.64

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, 2012. The amount involved relating to Ravva Block is ₹ 418.88 Million (Previous year ₹ 412.56 Million).

The Operator is contesting the SCNs/demands before Commissioner of Service Tax and has filed appeal before CESTAT, Bangalore and also writ petition before Hon'ble High Court of Madras challenging service tax demands on some of the services and believes that its position is likely to be upheld. The ultimate outcome of the matter cannot be presently determined and no provision for any liability that may result has been made in the accounts as the same is subject to agreement by the members of the Joint Venture. Should it ultimately become payable, the Company's share as per the participating interest would be upto ₹ 104.72 Million (Previous year ₹ 103.14 Million).

g) Disputed Income Tax demand amounting to ₹ 22.29 Million (Previous year ₹ 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 (Previous year ₹ 5.57 Million).

34. There were 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 international arbitration for resolution. The Arbitral Tribunal has issued a Partial Award and is still seized of the matter and is yet to issue a Final Award, other than for the dispute relating to Base Development Costs ("BDC") for which a final award was issued on 18th January, 2011 substantially in favour of the Company. Issue relating to deductibility of ONGC Carry Costs arising out of the Partial Award was appealed by the GOI before the Malaysian Appellate Authorities which has since been rejected (on grounds, *inter-alia*, of jurisdiction and maintainability) by such authorities and is now before the final appellate authority i.e. the Federal Court of Malaysia. Issue relating to deductibility of the BDC was appealed by the GOI before the Malaysian Appellate Authority which has since been rejected by such authority and is now before the Court of Appeal at Malaysia. Pending final resolution of the disputes, certain amounts have been short paid by GOI Nominees which have been disputed by the Company and the Company is seeking refund of amounts excessively deducted. Based on legal advice, the Company believes its contentions will be upheld. Any further sum required to be paid or returnable in respect of such disputes in accordance with the determination of the amount by the Hon'ble Arbitral Tribunal/relevant courts in this regard shall be accounted for on the final outcome in those matters.

35. Videocon Telecommunications Limited (VTL), a subsidiary, had been awarded licenses by the Department of Telecommunications ("DoT") to provide Unified Access Services ("UAS") in 21 telecom circles in India with effect from 25th January, 2008 which were valid for a period of 20 years. VTL had also been allocated spectrum in 20 circles and had launched its commercial operations in 17 circles.

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

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

During the period, VTL has incurred a net loss of ₹ 12,036.14 Million resulting into accumulated losses of ₹ 40,344.93 Million as at 30th June, 2013. VTL has further issued and allotted share capital whereby the net worth has become positive as on 30th June, 2013. The ability of VTL to continue as a going concern is substantially dependent on its ability to fund its operating and capital expenditure requirements. The management of VTL is confident of mobilizing the necessary resources for continuing its operations as per the business plan. Accordingly, the financial statements have been prepared by VTL on a going concern basis.

36. The DoT had issued demand notices for Liquidated Damages aggregating to ₹ 534.50 Million for 20 out of the 21 circles (all the circles except Delhi) allotted to VTL on account of delay in meeting 10% roll-out obligations as stipulated in the Unified Access Service License ('UASL') (since quashed vide judgement dated 2nd February, 2012 of Hon'ble Supreme Court). Against these demand notices, VTL has paid a total sum of ₹ 419.30 Million of which it has charged ₹ 169.50 Million to the Statement of Profit and Loss for the year ended 31st December, 2011 and the remaining amount of ₹ 249.80 Million has been shown under Loans and Advances as the same are disputed and paid 'under protest'.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

a) VTL challenged before the Telecom Dispute Settlement Appellate Tribunal ('TDSAT') the claim of Liquidated Damages in respect of 10 circles (i.e. Andhra Pradesh, Assam, Haryana, Jammu & Kashmir, Karnataka, Kolkata, Madhya Pradesh, North East, Uttar Pradesh – East and West Bengal) seeking interim stay and finally setting aside the demand, inter alia on the ground that (1) there has been a delay in the allocation of start-up spectrum; (2) delay in SACFA clearance should have been calculated on the actual maximum delay and not the average delay; and (3) delay in meeting 10% roll-out obligations was on account of introduction by the DoT of new and onerous conditions in the license agreement (e.g. LI Testing, security clearance of equipment, etc.).

b) The TDSAT has passed an order and judgment on 13th January, 2012 whereby it has set aside the demands of DoT in respect of 10 circles and directed DoT to give opportunity to the licensee before raising these fresh demands for liquidated damages. The Hon'ble TDSAT, vide its said judgment has also directed DoT to refund the amount of ₹ 242.30 Million paid by VTL as liquidated damages in respect of 10 circles along with 12% interest and VTL has been directed to deposit bank guarantees for the amount of liquidated damages originally demanded. The order of the TDSAT dated 13th January, 2012 has been challenged by the DoT before the Hon'ble Supreme Court and by an order dated 23rd November, 2012 the Hon'ble Supreme Court has admitted the appeal and has passed an interim order staying the interest payable on the principal amount, in terms of the order and judgement dated 13th January, 2012 passed by TDSAT.

c) VTL has also challenged the claim of Liquidated Damages in respect of 7 circles (i.e. Bihar, Gujarat, Kerala, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh-West) before the TDSAT, seeking interim stay and setting aside the demand, inter alia on the similar grounds. VTL is hopeful that similar order may be passed by Hon'ble TDSAT as passed in its order dated 13th January, 2012.

The final demands payable by VTL, if any, is, therefore, unascertainable.

37. The Parent Company alongwith the subsidiary Videocon International Electronics Limited and 11 other entities (collectively referred to as 'Obligors' or individually as 'Borrower') executed Facility Agreement with the consortium of existing domestic rupee term lenders, under the obligor/co-obligor structure, wherein all the Rupee Term Loans of the Obligors are pooled together. The Borrower entities are Videocon Industries Limited, Value Industries Limited, Trend Electronics Limited, KAIL Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Sky Appliances Limited, Techno Electronics Limited, Century Appliances Limited, PE Electronics Limited, Next Retail India Limited, Evans Fraser and Co. (India) Limited and Videocon International Electronics Limited (VIEL). As per the said Facility Agreement, the Parent Company is agent of the Obligors and has been referred to as 'Obligor Agent'. The Rupee Term Loans have to be utilised for the purpose mentioned in the Facility Agreement which is mainly for refinancing of existing Rupee Term Loans of the Obligors. Accordingly, the Rupee Term Loans of ₹ 20,439.54 Million have been allocated to respective Obligors based on their outstanding amount as on 31st December, 2011. As the Parent Company and VIEL are co-obligors, they are contingently liable in respect of the borrowings of other Obligors/Borrowers to the extent of outstanding balance of Rupee Term Loans as on 30th June, 2013 of ₹ 17,919.40 Million (Previous year ₹ Nil).

38. Joint Venture Disclosure:

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

B. Unincorporated Joint Ventures:

a) The Company has participating interest of 25% in Ravva Oil and Gas Field Joint Venture (JV) through a Production Sharing Contract (PSC). Other members of the JV are Oil and Natural Gas Corporation Limited, Cairn India Limited (formerly Cairn Energy India Pty Limited) and Ravva Oil (Singapore) Pte. Limited. The parties have pursuant to the PSC, entered into a Joint Operating Agreement. Cairn India Limited is now the Operator (Cairn Energy India Pty Limited was the Operator upto 15th October, 2012).

b) The Company had participating interest of 8.4% in Block WA-388-P in exploration permit for a term of 6 years from 28th August, 2006. The Joint Venture (JV) comprised of the Company, Oilex Limited, Gujarat State Petroleum Corporation Limited, Hindustan Petroleum Corporation Limited, Bharat Petroleum Corporation Limited, Sasol Petroleum Australia Limited and Apache Northwest Pty Limited ("Apache"). Apache was the Operator with 40% interest in JV. The Petroleum Exploration Permit WA-388-P expired on 27th August, 2012 and ceased to be inforce.

c) On 15th November, 2006, the consortium, comprising Videocon JPDA 06-103 Limited ("Videocon JPDA") one of the wholly owned subsidiaries, Oilex (JPDA 06-103) Limited – as Operator, Bharat PetroResources JPDA Limited and GSPC (JPDA) Limited, was allotted the petroleum block JPDA 06-103, under a Production Sharing Contract (PSC) by the Timor Sea Designated Authority. This block is located in the Timor Sea between Australia and Timor-Leste. Videocon JPDA had originally a participating interest of 25% in the PSC. Oilex has farmed-out 15% of its 25% Participating Interest to Japan Energy. Videocon JPDA has farmed-out 5% of its Participating Interest to Pan Pacific Petroleum of Australia reducing the same to 20%.

Out of the four commitment wells, two exploration wells at Lore and Lolotoe were drilled unsuccessfully. Autoridade Nacional do Petroleo (ANP) has agreed to a 12 months extension to the primary Exploration period, subject to a 25% relinquishment of the PSC area. The Joint Venture (JV) has proposed to drill one out of the two remaining commitment wells in lieu of excess seismic data acquired, to which ANP has reserved its position until the results of the drilling of the third commitment well are available. The JV has further acquired 200 sq. kms. 3D Seismic Survey in the northern part of the Block and based on processing thereof, decision to spud third commitment exploration well at Bazartete prospect has been taken.

d) Videocon Mozambique Rovuma 1 Limited (VMRL), one of the wholly owned subsidiaries, has executed a participation agreement with Anadarko Mozambique Area 1 Limitada, a wholly owned subsidiary of Anadarko Petroleum Corporation, USA. Pursuant to this Agreement, VMRL has acquired 10% participating interest in the Oil Block covering Area 1 Offshore of the Rovuma Block, Republic of Mozambique. The Agreement was closed on 26th December, 2008 (the Closing Date).

Total 28 wells drilled to date, of which 10 Exploration Wells and 12 Appraisal Wells were successful in locating enough Natural Gas to support large commercially viable LNG Projects.

Gas is located in the Prosperidade and Golfinho-Atum Discovery Areas. The Prosperidade Discovery Area is a straddling resources shared by the Area1 JV Partners and Area4 JV Partners, led by ENi.

For Prosperidade Discovery Areas, a Pre-Unit and Cooperation Term Sheet has been executed on 17th December, 2012 by and between Anadarko Mozambique Area1 Limitada, on behalf of Area1 JV Parties and Eni East Africa on behalf of Area 4 JV Parties, to develop and produced in a manner that unitizes the Straddling Reservoir under reasonable terms and conditions, in compliance with applicable Mozambican Petroleum Laws and Regulations. Area 1 and Area 4, located offshore Mozambique, comprise multiple hydrocarbon reservoirs, some of which are fully contained within each area, this agreement only concerns those reservoirs that straddle the boundary of the two areas.

The LNG park plan has been evolved which envisages the development, construction and operation of an LNG park comprising LNG trains and common facilities that will provide liquefaction services to Operators for potential capacity of up to 50 MMTPA.

Mozambique LNG is emerging as a global LNG leader with up to 65+ Tcf of recoverable natural gas resources discovered to date in the Offshore Area 1 of Mozambique. By the end of 2013, the JV will have invested approximately $3 billion (gross), and will have made significant advancements in a world-scale LNG development, with first cargoes expected in 2018, and a design that facilitates future expansions of up to 50 MMPTA. The JV has already discovered sufficient resources to support a development of this scale and is continuing to explore in the Offshore Area 1.

e) On 4th September 2009, Videocon Indonesia Nunukan Inc. (VIN), one of the wholly owned subsidiaries, has executed a Farmout Agreement with Anadarko Indonesia Nunukan Company - a wholly owned subsidiary Anadarko Petroleum Corporation, USA along with the related Joint Operating Agreement. The transaction was completed on 28th December 2009 (the Closing Date). Pursuant to this agreement, VIN has acquired a 12.50% participating interest in the Production Sharing Contract, covering the area referred to as Nunukan Block, located offshore Indonesia, with effect from 1st August 2009 (the Effective Date). Other members of the consortium are Anadarko Indonesia Nunukan Company, PT Medco E&P Nunukan and BPRL Ventures Indonesia, BV (a step down wholly owned subsidiary of Bharat Petroleum Corporation Limited). Following Anadarko's sale of all the issued share capital in Nunukan Block, PSC to PT Pertamina Hulu Energi ("PHENC"), effective 15th February, 2013, PHENC became new Operator. Badik-1 well intersected 133 net feet of Oil and gas pay, which has been notified as a discovery. 1600 sq. km. 3D seismic data has been acquired in the Block to locate possible well location and identify further leads and prospects for drilling two appraisal wells and one commitment exploration well in the exploration phase.

C. Incorporated Jointly Controlled Entities:

a) IBV Brasil Petroleo Limitada (IBV), a company incorporated in Brazil, is 50 : 50 joint venture between Videocon Energy Brazil Limited (VEBL), a wholly owned subsidiary of the Company and Bharat PetroResources Limited, a wholly owned subsidiary of Bharat Petroleum Corporation Limited. IBV has interests in following four concessions with ten deep water offshore exploration blocks in Brazil.

i) Campos Concession: A discovery of hydrocarbons has been made in Wahoo well prospect (BMC-30 Concession) in the Campos Basin. VEBL has 12.50% participating interest in the Wahoo Concession. The Concession is presently in five year Evaluation Phase. Discoveries announced in Appraisal Wells Wahoo #2 & Wahoo #3. DST has been completed in Wahoo Exploration Well. These Discoveries are in the Pre-Salt Upper-Sag Carbonates, of Aptian Age. Drilling of appraisal well Wahoo#4, with oil column similar to Wahoo#1, was completed on 11th December, 2012. Wahoo #5 Appraisal Well was spudded on 17th June, 2013 and drilling was completed on 2nd October, 2013. The drilling result of the well has proved beyond doubt the extent of the Upper Sag pay towards the NE of the Wahoo main structure. The success of the Wahoo #5 well as oil bearing has lowered the geological uncertainty and thus the resources can be upgraded to a higher level.

During drilling of Wahoo #5, oil and gas shows have been reported within the Coquina section. The well logs have also indicated Oil saturation in the interval 5,188.76 to 5,295.14 metres.

ii) Sergipe Concession: Sergipe Blocks are Located in the North-Eastern offshore of Brazilian Basin. BM-SEAL-11 Concession has 4 blocks and covers an area of 2,831 sq. km., in the Deep Waters of Sergipe Basin with Petrobras as JV Partner and Operator has witnessed Discoveries in the Barra, Farfan, Cumbe, Papangu and Poco Verde which are all in different stages of Appraisal/Evaluation Phases along with neighbouring Joint Venturers and heading towards commercialization. BM-SEAL-11 is going to become Oil, Gas and Condensate Field. VEBL has 20% participating interest in the Sergipe Concession

The first exploration well was taken up by the JV at Barra in Block SEAL-M-426, resulting in a discovery notified on 27th October, 2010.

In October, 2012 hydrocarbons discovery was made during drilling of well 1-BRSA-1083-SES (1-SES-167), informally known as 'Farfan', situated in a water depth of 2,720 metres, located 109 km. from the city of Aracaju. The Farfan well is about 21 km. southeast to the Barra Exploration Well 1-SES-158 (Barra). The discovery at Farfan evidences of oil found at the depth of 5,582 metres during well drilling, analysis of electric logs and fluid samples recovered. A hydrocarbon column of about 44 metres gross and 40 metres net which is formed by porous sandstone carriers of light hydrocarbons as tested.

In November, 2012 the discovery well #1-SES-166, informally called "Cumbe" the first exploration well drilled in block SEAL-M-349, located 9.4 kms northeast to the discovery well 'Farfan' drilled recently in Block SEAL-M-426 in Sergipe Concession and 109 km. from the city of Aracaju in water depth of 2,313 metres. The well proved presence of sandstone reservoirs saturated with light hydrocarbons in the Maastrichtian and Campanian sections with gross pay thickness of 98 metres in intervals of 4,578 to 4,605 metres (net pay of 17 metres) and 5,321 to 5,635 metres (net pay of 24 metres) respectively. The discovery in Cumbe augments the three earlier discoveries of Maastrichtian gas & condensate (Barra) and Campanian light oil (Barra, Barra-1 and Farfan) in the Sergipe Concession. Furthermore, the discovery of light oil in the Maastrichtian indicates presence of multiple pools of hydrocarbon, thus upgrading the potential of the SEAL-11 Sergipe Concession significantly.

Well BRSA-1131-SES (known as Papangu) was drilled during the second exploration period, with the objective to test the presence of HC in stratigraphic traps mapped at Campanian sandstones of the Middle Fm. Calumbi. About 100 metres thick sandstones and conglomerates reservoir with good porosity and permeability was encountered in the target zone, but it is water wet. The well was further deepened to explore possible carbonate reservoirs/deltaic sandstones of Albian age. From 6,380 metres thick sandstone rocks with good gas shows (up 122 UGTs) were encountered which continued up to the TD of 6,556 metres. Accordingly, the Notice of Discovery was sent to ANP on 27th February, 2013.

Poco Verde Joint Appraisal Area is a straddling resources area shared by the BM-SEAL-11 and BM-SEAL-4 Concessioners, both operated by Petrobras. Petrobras has proposed a joint appraisal plan covering Block SEAL-M-590 in BM-SEAL-4 and Block SEAL-M-497 in BM-SEAL-11 Concessions and for Campanian discovery of the well Verde (1-SES-159), which was drilled during 2012, in the adjacent concession BM-SEAL-4 (PB 75% & OVL 25%). Well Verde had encountered 11.8 metres of

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

net oil pay (44 degree API) in Paleocene and 3.8 metres of net gas pay in Campanian. Fluid samples were taken from respective intervals.

iii) Potiguar Concession: The first phase of exploration in Potiguar Concession located in the North-eastern region of Brazil, has been extended with a commitment to drill exploration well in Block POT-M-760. VEBL has 10% participating interest in the Potiguar Concession.

The Concession has 6 prospects in 2 different blocks, with a total area of 1,535 sq. km. is in the 1st Phase of exploration. One pre-existing well (1-CES-154) drilled in Block 663. Ararauna commitment well drilled/spudded on 11th February, 2013 and was completed in August, 2013. Drilling results are under study.

iv) Espirito Santos Concession: Located along the Brazilian Continental Margin, extending from the central-southern part of Espirito Santos State to the southern part of Bahia State. The concession Blocks cover an area of 1,645 sq. km.

Requeijao Well drilled in ES-M-588 Block was completed on 2nd September, 2012 which encountered thin oil zones in the target Aptian sands and in fractured basement. ES-24 JV are in discussion with ANP about a joint Evaluation Plan with the adjoining Block in ES-25 Concession.

Grana Padano Well drilled announces the discovery of a new oil accumulation (15°API) in the post-salt layer of Espírito Santo Basin, in Concession BM-ES-24 (Block ES-M-661), located 58 km from the city of Vitória, state of Espírito Santo. ANP has approved the Evaluation Plan.

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

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

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

(₹ in Million)

Group's share in	30th June, 2013	31st Dec., 2011
Assets	**32,600.90**	18,984.69
Liabilities	**31,672.85**	17,992.60
Income	**-**	-
Expenses	**-**	-
Tax	**-**	(379.58)

D. The estimated amount of commitment of the Group towards contribution in various Joint Ventures for next year based on minimum work program is ₹ 29,898.56 Million (Previous year ₹ 18,461.94 Million).

39. During the period, the Subsidiary Company Videocon Hydrocarbon Holdings Limited (VHHL) has sold and transferred its entire shareholding in Videocon Mozambique Rovuma 1 Limited to its subsidiary Videocon Mauritius Energy Limited for a consideration of US$ 2,141.16 Million as per the agreement dated 28th December, 2012 after obtaining approval of the Government of Republic of Mozambique and payment of appropriate income tax. The resultant profit on sale of investment of US$ 2,141.15 Million being unrealised profit, has been eliminated in this consolidated financial statements.

40. The Subsidiary Company Videocon Mauritius Energy Limited alongwith its holding company Videocon Hydrocarbon Holdings Limited (subsidiary of the Company) have entered into a Share Sale and Purchase Agreement on 25th June, 2013 with ONGC Videsh Limited and OIL India Limited for sale of the entire shareholding in Videocon Mozambique Rovuma 1 Limited, which owns 10% participating interest in Oil & Gas Block covering Area 1 Offshore of the Rovuma Block, Republic of Mozambique for a base consideration of US$ 2,475.00 Million. However, pending closure of the transaction, Videocon Mozambique Rovuma 1 Limited continues to be subsidiary of the Videocon Mauritius Energy Limited.

41. Related Party Disclosures:

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

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

i) Associates:

- Radium Energy Private Limited - Associate - 26%
- Goa Energy Private Limited - Associate - 26% (upto 1st March, 2012)
- Northwest Energy Private Limited - Associate - 47% (upto 7th January, 2013)

ii) Key Management Personnel:

- Mr. Venugopal N. Dhoot - Chairman & Managing Director
- Mr. Rajkumar N. Dhoot - Chairman & Managing Director (Videocon Telecommunications Limited)
- Mr. Pradipkumar N. Dhoot - Whole Time Director (Videocon Hydrocarbon Holdings Limited)
- Mr. Sunil Kumar Jain - Senior Vice President
- Mr. Shekhar Jyoti - Vice President
- Mr. Chandramani M. Singh - Vice President
- Mr. Jaideep R. Rathore - Senior Vice President (upto 31st March, 2013)
- Mr. Abhijit Kotnis - Vice President
- Mr. Arun Pal - Vice President
- Mr. Roopam Asthana - Chief Executive Officer (Liberty Videocon General Insurance Company 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
Nature of Transactions		
Reimbursement of Expenses	**9.63** (90.42)	
Short Term Advances/Loans given	**0.04** (5.90)	
Short Term Advances/Loans received back	**368.08** (-)	
Remuneration		**145.27** (53.49)
Outstanding as at 30th June, 2013		
Short Term Advances/Loans given	**0.54** (368.58)	
Investments	**0.03** (0.05)	

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

Reimbursement of Expenses from Goa Energy Private Limited ₹ 9.63 Million (Previous year ₹ 90.42 Million); Short Term Advances/ Loans Given to Radium Energy Private Limited ₹ 0.04 Million (Previous year ₹ 0.51 Million) and Goa Energy Private Limited ₹ Nil (Previous year ₹ 5.39 Million); Short term Advances/Loans received back from Goa Energy Private Limited ₹ 368.07 Million (Previous year ₹ Nil).

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

(₹ in Million)

	Name of the Company	Effect on Consolidated Profit/(Loss)	Net Assets As at 30th June, 2013
a)	**Acquisitions/Incorporations**		
	Videocon Mauritius Energy Limited	(6,390.99)	(7,023.52)
	Indigo Energy Private Limited	(0.29)	(0.21)
	Percept Energy Private Limited	(0.02)	(1.52)
b)	**Disposals/Cessation**		
	Eagle E Corp Limited	(0.08)	(1,047.08)
	Oil Services International S.A.S	0.34	-
	Emerald Copoprate Ventures Limited (formerly Videocon Energy Ventures Limited)	(0.09)	9.75
	Mercury Corporate Ventures Limited (formerly Videocon Oman 56 Limited)	0.13	(0.16)

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

(₹ in Million)

	Particulars	Period ended 30th June, 2013	Year ended 31st Dec., 2011
a)	Amount at the beginning of the period	**632.15**	638.51
b)	Additional provision made during the period	**653.24**	632.15
c)	Amount used	**602.89**	602.82
d)	Unused amount reversed during the period	**29.26**	35.69
e)	Amount at the end of the period	**653.24**	632.15

44. 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 30th June, 2013	As at 31st Dec., 2011
Not later than 1 year	**137.60**	73.77
Later than 1 year and not later than 5 years	**549.11**	404.01
More than 5 years	**269.59**	397.52
Total	**956.30**	875.30

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.

45. 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.

46. 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 Consolidated Balance Sheet and the provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.

47. Segment Information:

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

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

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

c) Primary Segment Information - Business segment:

(₹ in Million)

Particulars	Consumer Electronics and Home Appliances		Crude Oil and Natural Gas		Telecommunications		Power		Others		Total	
	Period ended 30.06.2013	Year ended 31.12.2011	**Period ended 30.06.2013**	Year ended 31.12.2011	**Period ended 30.06.2013**	Year ended 31.12.2011	**Period ended 30.06.2013**	Year ended 31.12.2011	**Period ended 30.06.2013**	Year ended 31.12.2011	**Period ended 30.06.2013**	Year ended 31.12.2011
i) Segment Revenue												
- External	**167,800.19**	115,651.15	**19,700.64**	14,934.64	**6,053.46**	6,227.05	**688.86**	32.23	**(4.62)**	-	**194,238.53**	136,845.07
- Inter Segment	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Total Segment	**167,800.19**	115,651.15	**19,700.64**	14,934.64	**6,053.46**	6,227.05	**688.86**	32.23	**(4.62)**	-	**194,238.53**	136,845.07
ii) Segment Result before Interest	**16,143.89**	12,313.78	**(7,626.35)**	4,771.93	**(15,190.67)**	(12,393.32)	**367.03**	(25.14)	**(610.22)**	(5.01)	**(6,916.32)**	4,662.24
Less: Finance Costs	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**40,774.95**	15,563.88
Add: Other Unallocable Income/ (Expenses)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**4,654.70**	(826.47)

(₹ in Million)

Particulars	Consumer Electronics and Home Appliances		Crude Oil and Natural Gas		Telecommunications		Power		Others		Total	
	Period ended 30.06.2013	Year ended 31.12.2011	**Period ended 30.06.2013**	Year ended 31.12.2011	**Period ended 30.06.2013**	Year ended 31.12.2011	**Period ended 30.06.2013**	Year ended 31.12.2011	**Period ended 30.06.2013**	Year ended 31.12.2011	**Period ended 30.06.2013**	Year ended 31.12.2011
Profit/(Loss) before Taxation	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(43,036.57)**	(11,728.11)
Add: Share in Profit/(Loss) of Associates	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(5.09)**	(0.19)
Add: Profit/(Loss) on Disposal/ Dilution of holding in Subsidiaries/Associates	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(1,032.21)**	49.74
Tax Expenses	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(12,005.08)**	1,964.31
Profit/(Loss) before Minority Interest	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(32,068.79)**	(13,642.87)
Add: Minority Interest	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**3,807.60**	5.21
Profit/(Loss) for the period/year	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(28,261.19)**	(13,637.66)

iii) **Other Information:**

(₹ in Million)

Particulars	Consumer Electronics and Home Appliances		Crude Oil and Natural Gas		Telecommunications		Power		Others/Unallocable		Total	
	Period ended 30.06.2013	Year. ended 31.12.2011	**Period ended 30.06.2013**	Year ended 31.12.2011	**Period ended 30.06.2013**	Year ended 31.12.2011	**Period ended 30.06.2013**	Year ended 31.12.2011	**Period ended 30.06.2013**	Year ended 31.12.2011	**Period ended 30.06.2013**	Year ended 31.12.2011
Segment Assets	**168,747.59**	166,207.17	**139,705.67**	69,550.51	**62,543.63**	52,020.73	**12,603.40**	16,516.86	**111,089.21**	88,421.90	**494,689.50**	392,717.17
Segment Liabilities	**101,390.85**	97,156.88	**148,589.00**	65,573.63	**48,551.49**	65,329.78	**7,376.32**	11,034.44	**141,644.86**	80,832.65	**447,552.52**	319,927.38
Capital Expenditure	**11,912.73**	9,280.52	**45,664.53**	20,790.19	**18,467.28**	1,934.48	**(507.10)**	5,963.64	**385.47**	109.34	**75,922.91**	38,078.17
Depreciation	**7,526.87**	5,244.73	**599.83**	795.49	**4,709.84**	3,015.73	**280.55**	32.97	**138.61**	71.83	**13,255.70**	9,160.75

d) Secondary Segment Information:

(₹ in Million)

Particulars	Within India		Outside India		Total	
	Period ended 30.06.2013	Year ended 31.12.2011	**Period ended 30.06.2013**	Year ended 31.12.2011	**Period ended 30.06.2013**	Year ended 31.12.2011
Segment Revenue - External Turnover	**187,780.60**	131,112.77	**6,457.93**	5,732.30	**194,238.53**	136,845.07
Segment Assets	**354,449.24**	311,973.89	**140,240.26**	80,743.28	**494,689.50**	392,717.17
Segment Liabilities	**318,224.10**	250,737.41	**129,328.42**	69,189.97	**447,552.52**	319,927.38
Capital Expenditure	**30,426.21**	17,886.80	**45,496.70**	20,191.37	**75,922.91**	38,078.17

48. These consolidated financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956. Previous year figures have been reclassified, restated, recasted to conform to the classification of the current period. The figures of the current period are not comparable with those of the previous year, as: a) the current period's figures do not include operations of certain subsidiaries, consequent to their cessation to be subsidiaries of the Company in the previous period and include operations of certain subsidiaries for part of the period, consequent to their acquisition as stated in Note No. 2 above; b) the figures for the current period are for a period of 18 months as against 12 months in previous year.

As per our report of even date

For and on behalf of the Board

For KHANDELWAL JAIN & CO.
Chartered Accountants

For KADAM & CO.
Chartered Accountants

V. N. DHOOT
Chairman and Managing Director

SHIVRATAN AGARWAL
Partner
Membership No. 104180

U. S. KADAM
Partner
Membership No. 31055

VINOD KUMAR BOHRA
Company Secretary

S. PADMANABHAN
Director

Place : Mumbai
Date : 29th November, 2013

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011, respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Amount in	Exchange Rate	Capital	Share Application Money Received	Reserves	Total Assets	Total Liabilities	Investment (Other than Investments in Subsidiaries)	Turnover/ Total Income	Profit Before Tax	Provision for Tax (Net of Write back)	Profit after Tax	Proposed Dividend	Country
1	Indigo Energy Private Limited	₹	INR Mn		0.10	-	(0.30)	0.10	0.30	-	-	(0.30)	-	(0.30)	-	India
2	Percept Energy Private Limited	₹	INR Mn		0.10	-	(1.63)	0.10	1.63	-	-	(0.02)	-	(0.02)	-	India
3	Comet Power Private Limited	₹	INR Mn		207.32	-	(32.13)	791.41	616.22	54.77	263.20	(37.03)	0.15	(37.18)	-	India
4	Unity Power Private Limited	₹	INR Mn		0.10	-	23.60	762.84	739.14	-	197.39	38.39	14.76	23.63	-	India
5	Applied Energy Private Limited	₹	INR Mn		0.10	-	(3.88)	230.99	234.77	-	0.03	(12.04)	(2.53)	(9.51)	-	India
6	Proficient Energy Private Limited	₹	INR Mn		0.10	-	(5.06)	297.31	302.27	-	0.08	(22.26)	(5.60)	(16.66)	-	India
7	Videocon Energy Limited	₹	INR Mn		1,000.00	-	(7.19)	993.42	0.61	0.03	-	(0.05)	-	(0.05)		India
8	Prosperous Energy Private Limited	₹	INR Mn		0.10	-	(0.08)	417.73	417.71	-	-	(0.06)	(0.01)	(0.05)		India
9	Chhattisgarh Power Ventures Private Limited	₹	INR Mn		0.10	-	(0.08)	1,509.66	1,509.64	-	0.07	(0.04)	0.001	(0.04)		India
10	Pipavav Energy Private Limited	₹	INR Mn		5,500.00	-	(7.15)	7,078.16	1,585.31	-	0.13	(0.68)	-	(0.68)		India
11	Videocon JPDA 06-103 Limited	US$	INR Mn	59.94	0.06	-	(347.71)	6,109.56	6,457.21	-	10.42	6.94	-	6.94		Cayman Island
			USD Mn		0.001	-	(5.80)	101.93	107.73	-	0.17	0.12	-	0.12		
12	Videocon Mozambique Rovuma 1 Limited	US$	INR Mn	59.94	0.60	-	(50.24)	27,132.83	27,182.47	-	-	(31.70)	-	(31.70)		British Virgin Island
			USD Mn		0.01	-	(0.84)	452.66	453.49	-	-	(0.53)	-	(0.53)		
13	Videocon Energy Brazil Limited	US$	INR Mn	59.94	0.06	-	(261.98)	50,486.10	50,748.02	-	-	(6.60)	-	(6.60)		British Virgin Island
			USD Mn		0.001	-	(4.37)	842.28	846.65	-	-	(0.11)	-	(0.11)		
14	Videocon Indonesia Nunukan Inc.	US$	INR Mn	59.94	0.06	-	(6.16)	3,136.15	3,142.25	-	0.001	(4.77)	-	(4.77)		Cayman Island
			USD Mn		0.001	-	(0.10)	52.32	52.42	-	0.000	(0.08)	-	(0.08)		
15	Videocon Australia WA-388-P Limited	US$	INR Mn	59.94	0.000	-	(4.37)	1.49	5.86	-	-	(3.48)	-	(3.48)		Cayman Island
			USD Mn		0.000	-	(0.07)	0.03	0.10	-	-	(0.06)	-	(0.06)		
16	Videocon Mauritius Energy Limited	US$	INR Mn	59.94	0.06	-	(7,023.58)	155,518.45	162,541.97	-	1,337.29	(7,021.94)	-	(7,021.93)		Mauritius
			USD Mn		0.001	-	(117.18)	2,594.56	2,711.74	-	22.31	(117.15)	-	(117.15)		

FINANCIAL INFORMATION OF 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 (Other than Investments in Subsidiaries)	Turnover/ Total Income	Profit Before Tax	Provision for Tax (Net of Write back)	Profit after Tax	Proposed Dividend	Country
17	Videocon Hydrocarbon Holdings Limited	US$	INR Mn	59.94	12,167.82	4,075.92	111,694.81	259,624.22	131,685.67	-	143,352.04	125,300.42	13,431.77	111,868.65		Cayman Island
			USD Mn		203.00	68.00	1,863.44	4,331.40	2,196.96	-	2,391.59	2,090.43	224.09	1,866.34		
18	Videocon Oil Ventures Limited	₹	INR Mn		1,000.00	-	(3,588.88)	12,971.52	15,560.40	-	0.59	(3,523.57)	-	(3,523.57)		India
19	Videocon Global Limited	US$	INR Mn	59.94	48.10	-	65.42	4,263.60	4,150.08	-	414.40	(172.70)	-	(172.70)		British Virgin Island
			USD Mn		0.80	-	1.09	71.13	69.24	-	6.91	(2.88)	-	(2.88)		
20	Middle East Appliances LLC	RO	INR Mn	156.08	351.45	647.89	(805.34)	196.75	2.75	-	48.71	(0.63)	-	(0.63)		Sultanate of Oman
			RO Mn		2.25	4.15	(5.16)	1.26	0.02	-	0.31	(0.004)	-	(0.004)		
21	Videocon Electronic (Shenzen) Limited (Chinese Name- Wei You Kang Electronic (Shenzen) Co Ltd)	CNY	INR Mn	9.71028	8.93	-	(29.80)	32.77	53.64	-	33.37	(27.68)	-	(27.68)		China
			CNY Mn		0.92	-	(3.07)	3.37	5.52	-	3.44	(2.85)	-	(2.85)		
22	Videocon Estelle Limited	US$	INR Mn	59.94	1.50	-	(1.02)	1.50	1.02	-	-	(0.81)	-	(0.81)		Mauritius
			USD Mn		0.03	-	(0.02)	0.03	0.02	-	-	(0.01)	-	(0.01)		
23	Videocon Ivory Limited	US$	INR Mn	59.94	0.06	-	(1.14)	0.06	1.14	-	-	(0.81)	-	(0.81)		Mauritius
			USD Mn		0.001	-	(0.02)	0.001	0.02	-	-	(0.01)	-	(0.01)		
24	Videocon International Electronics Limited	₹	INR Mn		30,000.00	-	(6,096.16)	58,011.85	34,108.01	2,758.30	0.22	(4,997.18)	-	(4,997.18)		India
25	Jumbo Techno Services Private Limited	₹	INR Mn		1,000.00	-	1,221.92	6,246.29	4,024.37	-	0.22	(0.17)	0.39	(0.56)		India
26	Senior Consulting Private Limited	₹	INR Mn		10.00	-	(3.09)	1,386.34	1,379.43	-	0.22	(0.07)	0.05	(0.12)		India
27	Videocon Telecommunications Limited	₹	INR Mn		54,337.50	-	(40,344.93)	62,544.02	48,551.45	0.02	6,057.57	(23,619.58)	(11,583.44)	(12,036.14)		India
28	Datacom Telecommunications Private Limited	₹	INR Mn		0.50	-	(0.44)	1.93	1.87	-	1.20	(0.17)	-	(0.17)		India
29	Liberty Videocon General Insurance Company Limited	₹	INR Mn		3,593.50	-	(444.44)	3,258.15	109.09	2,228.34	209.08	(396.59)	-	(396.59)		India

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ATTENDANCE SLIP

VIDEOCON INDUSTRIES LIMITED

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

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint Shareholders may obtain additional slip on request.

DP ID*		Registered Folio No.	
Client ID*			

NAME AND ADDRESS OF THE SHAREHOLDER ____

____

No. Share(s) Held:_________________________________

I hereby record my presence at the **TWENTY- FOURTH ANNUAL GENERAL MEETING** of the Company to be held on Saturday, 28th December, 2013, at 11.30 a.m. at the Registered office of the Company at 14 K.M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, Dist.: Aurangabad-431 105 (Maharashtra).

Signature of the Shareholder/Proxy________________________________

*Applicable for investors holding shares in electronic form

PROXY FORM

VIDEOCON INDUSTRIES LIMITED

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

DP ID*		Registered Folio No.	
Client ID*			

I/We____of

____ being a member/members of

Videocon Industries Limited hereby appoint _________________________________ of ____________________________

or failing him_______________________________________ as my/our proxy to vote for me/us and on my/our behalf at the **TWENTY- FOURTH ANNUAL GENERAL MEETING** of the Company to be held on Saturday, 28th December, 2013, at 11.30 a.m. 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 any adjournments thereof.

Signed on this_______________________________ day of ____________________2013

Signature __________________________________

No. of Shares held___________________________

Affix Revenue Stamp of ₹ 1/-

*Applicable for Investors holding shares in electronic form

Note: The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the time of holding the aforesaid meeting. The proxy need not be a member of the Company.

Please read errata for typesetting matter

BOOK-POST

If undelivered, please return to:

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

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FORM B

Letter of the annual audit report of Videocon Industries Limited to be filed with the Stock Exchange

1.	Name of the company	Videocon Industries Limited
2.	Annual financial statements for the year ended	18 months period ended 30th June, 2013
3.	Type of Audit observation	The Report is qualified.
4.	Frequency of observation	**Repetitive (2nd year):** Point No. 4(f) of the Auditor's Report on Standalone Financial Statement. **Appeared first time:** Point No. 6 of Auditors' Report on Consolidated Financial Statement.
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors' report	a) In respect of Point No. 4(f) of the Auditor's Report on Standalone Financial Statement for the period ended 30th June, 2013, regarding the extent of realisability of investments made in and advances given to 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. 49,337.50 Million and also given advances of Rs. 782.74 Million to Videocon Telecommunications Limited (VTL), the subsidiary. VTL was granted the license for providing Unified Access Services (UAS) in 21 circles by the Department of Telecommunications, Government of India (DoT) in 2008 and was also allotted spectrum in 20 circles. The Hon'ble Supreme Court of India, vide its judgment dated 2nd February, 2012, quashed all the UAS licenses granted on or after 10th January, 2008 and the subsequent allocation of spectrum to these licensees, which also include the 21 UAS licenses granted to VTL and the spectrum allotted to it. The Hon'ble Supreme Court of India, also directed the Telecom Regulatory Authority of India (TRAI) to make fresh recommendations for grant of licenses

		and allocation of spectrum and the Central Government to grant fresh licenses and allocation of spectrum by auction thereafter. The Central Government conducted the auction of spectrum in November, 2012. VTL participated in the auction and has been declared as a successful bidder in 6 circles and has been awarded spectrum in these circles. VTL is continuing its business as a going concern. As VTL has huge accumulated losses, its ability to continue as going concern is dependent on its ability to fund its operating requirements. VTL is confident of mobilizing necessary resources for continuing its operations as per the business plan. Accordingly, in the opinion of the management, no provision is required for diminution in the value of aforesaid investments and advances to VTL. b) In respect of Point No. 6 of Auditors' Report on Consolidated Financial Statement regarding the recognisation of Deferred Tax Assets by the Subsidiary VTL, the explanation of management is as under: The Subsidiary, VTL has evaluated its future taxable income after it has been awarded the Unified Licenses (Access services) in six circles with effect from 16th February 2013 which are valid for a period of 20 years and also been allotted 5Mhz spectrum in 1800 Mhz category in each of these six circles. The management is of the opinion that there is a virtual certainty, based on the future business plan, estimated increase in subscribers base and considering additional capital infusion into the Company which would restrict further borrowings and related costs, that sufficient future taxable income will be available against which the deferred tax assets can be realized. Accordingly, the Subsidiary VTL has recognized net deferred tax assets of Rs. 11,583.48 Million on the unabsorbed depreciation and business losses.

	Additional comments from the board/audit committee chair	Nil
5.	To be signed by-	
	CEO/Managing Director	
	CFO	
	Auditor of the Company	**For Kadam & Co.** *Chartered Accountants* U. S. Kadam Partner Membership No. 31055 **For Khandelwal Jain & Co.** *Chartered Accountants* Shivratan Agarwal Partner Membership No 104180
	Audit Committee Chairman	