Independent Auditors' Report pursuant to the Clause 41 of the Listing Agreement

To,
The Board of Directors of
VIDEOCON INDUSTRIES LIMITED

1. Report on the Financial Results

We have audited accompanying standalone financial results of **Videocon Industries Limited ('the Company')** for the quarter and 18 months period ended on 31st December, 2014 being submitted by the Company pursuant to the requirements of Clause 41 of the Listing Agreement with the Stock Exchanges except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us.

Attention is drawn to Note No. 2 to the standalone financial results regarding the fact that the figures for the quarter ended 31st December, 2014 as reported in these financial results are the balancing figures between audited figures in respect of the full 18 months financial period ended 31st December, 2014 and the published year to date figures upto the end of the fifth quarter of the financial period, which were subject to limited review.

2. Management's Responsibility for the Financial Results

These financial results have been prepared on the basis of the audited standalone financial statements for the 18 months period ended 31st December, 2014 and reviewed quarterly financial results of the Company for each of the preceding five quarters. Management is responsible for the preparation of these standalone financial results which give true and fair view of the net profit and other financial information in accordance with the recognition and measurement principles laid down in the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India and in compliance with Clause 41 of the Listing Agreement.

This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to error or fraud.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial results based on our audit of the annual standalone financial statements of the Company for the period ended 31st

KHANDELWAL JAIN & COMPANY MUMBAI CHARTERED ACCOUNTANTS

KADAM & CO. Chartered Accountants

December, 2014. 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 results are free of material misstatements.

An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.

4. Basis of Qualified Opinion

As mentioned in Note No. 3 to the standalone financial results, the Company has up to 31st December, 2014, directly and through its subsidiaries, made investments of Rs. 6,500.20 Crore and also given advances to Videocon Telecommunications Limited (VTL), the subsidiary. The licenses awarded by the Department of Telecommunications (DoT) to VTL to provide Unified Access Services (UAS) in 21 circles in India w.e.f. 25th January, 2008, were quashed by the Hon'ble Supreme Court of India, vide its order and judgment dated 2nd February, 2012. Subsequently, VTL participated in the auction conducted by DoT and has been awarded the Unified Licenses (Access Services) for 6 circles with effect from 16th February, 2013, which are valid for a period of 20 years. VTL has also been allotted spectrum in these 6 circles. VTL is continuing its commercial operations.

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

However, in view of the huge accumulated losses of the VTL, we are unable to express an opinion on the extent of realisability of aforesaid investments in and advances to VTL. The consequential effect of the above, on the standalone financial results for the quarter and period ended 31st December, 2014 is not ascertainable.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, these standalone financial results, *except for the effect of the matters described in the Basis of Qualified Opinion paragraph 4 above; the impact of which on the results of the Company is unascertainable;*

(i) are prepared in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and

(ii) give a true and fair view of the net profit and other financial information of the Company for the period ended 31st December, 2014.





Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of Clause 35 of the Listing Agreement and found the same to be correct.

6. Emphasis of Matter

The standalone financial statements reflect the share of the Company in the assets and the liabilities as well as the income and expenditure of joint venture operations on a line by line basis. The Company incorporates its share in the operations of the joint venture based on statement of account received from the Operator. The Company has participating interest of 25% in Ravva Oil and Gas Field Joint Venture through a Production Sharing Contract (PSC). The Company has received the audited financial statements for the period upto 31st March, 2014 and un-audited financial statements for the period 1st April, 2014 to 31st December, 2014 in respect of the said Joint Venture on which we have placed reliance. Our opinion is not qualified in respect of this matter.

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

BHUPENDRA Y. KARKHANIS
Partner
Membership No. 108336

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

U. S. KADAM
Partner
Membership No. 31055

Place : Mumbai
Date : 28th February, 2015

VIDEOCON INDUSTRIES LIMITED

Registered office : 14KM Stone, Aurangabad - Paithan Road,
Village Chittegaon, Taluka Paithan, Dist. Aurangabad - 431 105
CIN No. L99999MH1986PLC103624

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER, 2014

PART I [Rs. in Crore]

Particulars	Quarter ended				18 Months ended	18 Months ended
	31.12.2014	30.09.2014	31.12.2013	30.06.2013	31.12.2014	30.06.2013
	Audited	Unaudited	Unaudited	Audited	Audited	Audited
1. **Income from operations**						
a) Net sales/income from operations (net of excise duty)	3,135.14	3,187.31	3,207.40	3,032.45	18,904.35	18,117.61
b) Other operating income	2.69	11.29	18.33	10.03	63.25	39.66
Total income from operations (net)	**3,137.83**	**3,198.60**	**3,225.73**	**3,042.48**	**18,967.60**	**18,157.27**
2. **Expenses**						
a) Cost of materials consumed	1,004.08	1,016.86	1,029.22	1,008.90	6,055.01	5,664.37
b) Purchases of stock-in-trade	1,005.51	1,004.43	989.70	976.57	5,962.13	5,913.38
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(9.41)	(17.74)	14.85	(32.98)	(103.58)	(57.73)
d) Employee benefits expense	75.02	73.16	73.13	71.11	436.17	397.99
e) Depreciation and amortisation expense	170.07	180.58	132.46	146.00	985.81	824.35
f) Other expenses	497.24	563.21	572.21	504.24	3,273.71	3,232.88
Total expenses	**2,742.51**	**2,820.50**	**2,811.57**	**2,673.84**	**16,609.25**	**15,975.24**
3. **Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)**	**395.32**	**378.10**	**414.16**	**368.64**	**2,358.35**	**2,182.03**
4. Other income	217.33	209.26	206.44	241.44	1,165.14	418.27
5. **Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)**	**612.65**	**587.36**	**620.60**	**610.08**	**3,523.49**	**2,600.30**
6. Finance costs (net)	589.98	585.67	597.74	602.84	3,518.90	2,714.82
7. **Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)**	**22.67**	**1.69**	**22.86**	**7.24**	**4.59**	**(114.52)**
8. Exceptional items	-	-	-	-	-	-
9. **Profit/(Loss) from ordinary activities before tax (7+8)**	**22.67**	**1.69**	**22.86**	**7.24**	**4.59**	**(114.52)**
10. Tax expense	4.06	0.35	5.23	(3.39)	1.55	(42.89)
11. **Net Profit/(Loss) from ordinary activities after tax (9-10)**	**18.61**	**1.34**	**17.63**	**10.63**	**3.04**	**(71.63)**
12. Extraordinary items (net of tax expenses)	-	-	-	-	-	-
13. **Net Profit/(Loss) for the period (11-12)**	**18.61**	**1.34**	**17.63**	**10.63**	**3.04**	**(71.63)**
14. Paid-up equity share capital (FV Rs.10/- per share)	334.46	318.76	318.76	318.76	334.46	318.76
15. Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	10,055.71	9,783.91
16.i. **Earnings per share (before extraordinary items) (of Rs. 10/- each) (not annualised)**						
a) Basic	0.58	0.04	0.55	0.33	0.08	(2.38)
b) Diluted	0.58	0.04	0.55	0.33	0.08	(2.38)
16.ii. **Earnings per share (after extraordinary items) (of Rs. 10/- each) (not annualised)**						
a) Basic	0.58	0.04	0.55	0.33	0.08	(2.38)
b) Diluted	0.58	0.04	0.55	0.33	0.08	(2.38)

...Contd.

VIDEOCON INDUSTRIES LIMITED

Registered office : 14KM Stone, Aurangabad - Paithan Road,
Village Chittegaon, Taluka Paithan, Dist. Aurangabad - 431 105
CIN No. L99999MH1986PLC103624

PART II - Select Information for the Quarter Ended 31st December, 2014

Particulars	Quarter ended				18 Months ended	18 Months ended
	31.12.2014	30.09.2014	31.12.2013	30.06.2013	31.12.2014	30.06.2013
	Audited	Unaudited	Unaudited	Audited	Audited	Audited
A. PARTICULARS OF SHAREHOLDING						
1. Public shareholding [including Global Depository Receipts (GDR's)]						
- Number of equity shares	115,070,461	99,370,461	99,383,255	97,583,255	115,070,461	97,583,255
- Percentage of equity shareholding	34.40%	31.18%	31.18%	30.61%	34.40%	30.61%
2. Promoters and Promoter Group shareholding						
a) Pledged/Encumbered						
- Number of shares	153,837,091	152,918,960	148,565,520	146,220,520	153,837,091	146,220,520
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	70.12%	69.70%	67.72%	66.11%	70.12%	66.11%
- Percentage of shares (as a % of the total share capital of the Company)	46.00%	47.97%	46.61%	45.87%	46.00%	45.87%
b) Non-encumbered						
- Number of shares	65,551,323	66,469,454	70,822,894	74,967,894	65,551,323	74,967,894
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	29.88%	30.30%	32.28%	33.89%	29.88%	33.89%
- Percentage of shares (as a % of the total share capital of the Company)	19.60%	20.85%	22.22%	23.52%	19.60%	23.52%

Particulars	Quarter ended 31.12.2014
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	12
Received during the quarter	350
Disposed off during the quarter	356
Remaining unresolved at the end of the quarter	6

Notes:

1. The above results have been approved by the Board of Directors at its meeting held on 28th February, 2015.
2. The figures of the last quarter are the balancing figures between audited figures in respect of the full financial period upto 31st December, 2014 and the unaudited published year-to-date figures upto 30th September, 2014 being the date of the end of the fifth quarter of the financial period.
3. In respect of Auditors' qualifications in the audit report, regarding the extent of realisability of the investments made in and the 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 of Rs. 6,500.20 Crore and has also given advances to Videocon Telecommunications Limited (VTL), the subsidiary. The licenses awarded by the Department of Telecommunications (DoT) to VTL to provide Unified Access Services (UAS) in 21 circles in India w.e.f. 25th January, 2008, were quashed by the Hon'ble Supreme Court of India, vide its order and judgment dated 2nd February, 2012. Subsequently, VTL participated in the auction conducted by DoT and has been awarded the Unified Licenses (Access Services) for 6 circles with effect from 16th February, 2013, which are valid for a period of 20 years. VTL has also been allotted spectrum in these 6 circles. VTL is continuing its commercial operations.

   Though VTL has huge accumulated losses, the management is confident of mobilizing necessary resources for continuing operations of VTL as per the business plan. VTL is continuing its commercial operations. Accordingly, in the opinion of the management, no provision is required for diminution in the value of aforesaid investments and advances to VTL.
4. Figures of "Reserves excluding Revaluation Reserve' as at 31st December, 2014, "Earnings Per Share" and "Capital Employed" in Segment wise details for the quarter and period ended on that date are subject to the necessary adjustment on account of dividend on equity shares if and when proposed by the Board of Directors of the Company as per the provisions of the Companies Act, 2013 and the consequent dividend distribution tax.
5. During the Quarter, the Company has allotted 15,700,000 underlying equity shares represented by the issue of 15,700,000 Global Depository Receipts (GDR) at a price of US$ 2.88 per GDR, equivalent to Rs. 181.61 per equity share aggregating to Rs. 285.13 Crore.
6. Tax expense for the quarter and period ended 31st December, 2014 represents provision for current tax, MAT credit entitlement, deferred tax and excess/short provision of income tax for earlier years.
7. The current accounting year of the Company has been extended and hence, the current accounting year is for the period of 18 (Eighteen) months from 01st July, 2013 to 31st December, 2014.
8. The figures have been regrouped/reclassified wherever necessary to make them comparable.

...Contd.

9. Segment-wise details of Revenue, Results and Capital Employed:

(Rs. in Crore)

Particulars	Quarter ended				18 Months ended	18 Months ended
	31.12.2014	30.09.2014	31.12.2013	30.06.2013	31.12.2014	30.06.2013
	Audited	Unaudited	Unaudited	Audited	Audited	Audited
i) Segment revenue						
a) Consumer electronics and home appliances	2,888.96	2,891.65	2,845.76	2,778.75	17,046.16	16,163.85
b) Crude oil and natural gas	244.66	303.62	375.73	259.82	1,898.59	1,970.06
c) Power	4.21	3.33	4.24	3.91	22.85	23.36
Total	3,137.83	3,198.60	3,225.73	3,042.48	18,967.60	18,157.27
Less: Inter segment revenue	-	-	-	-	-	-
Net sales/income from operations	3,137.83	3,198.60	3,225.73	3,042.48	18,967.60	18,157.27
ii) Segment results						
[Profit before tax and finance costs from each segment]						
a) Consumer electronics and home appliances	368.29	345.32	306.92	290.99	1,934.58	1,620.88
b) Crude oil and natural gas	39.03	33.11	107.83	80.70	440.97	638.84
c) Power	2.31	1.47	2.23	2.03	12.10	12.19
Total	409.63	379.90	416.98	373.72	2,387.65	2,271.91
Less:						
a) Finance costs	589.98	585.67	597.74	602.84	3,518.90	2,714.82
b) Other unallocable expenditure net of unallocable income (income)	(203.02)	(207.46)	(203.62)	(236.36)	(1,135.84)	(328.39)
Total profit before tax	22.67	1.69	22.86	7.24	4.59	(114.52)
iii) Capital employed						
[Segment assets less segment liabilities]						
[Based on estimates in terms of available data]						
a) Consumer electronics and home appliances	6,769.39	6,744.08	6,784.96	6,773.07	6,769.39	6,773.07
b) Crude oil and natural gas	388.21	399.36	401.48	396.74	388.21	396.74
c) Power	543.36	541.77	552.81	552.62	543.36	552.62
Total capital employed in segments	7,700.96	7,685.21	7,739.25	7,722.43	7,700.96	7,722.43
Unallocable corporate assets less corporate liabilities	2,689.21	2,401.90	2,401.49	2,395.57	2,689.21	2,395.57
Total capital employed	10,390.17	10,087.11	10,140.74	10,118.00	10,390.17	10,118.00

Notes:

i) Segments have been identified in accordance with the Accounting Standard (AS) -17 "Segment Reporting", considering the organization structure and the return/risk profiles of the business.

ii) Segment revenue includes sales and other income directly identifiable and allocable to the segment.

iii) Other unallocable expenditure includes expenses incurred on common services provided to segments and corporate expenses. Unallocable income mainly includes income from investments and divestment income.

VIDEOCON INDUSTRIES LIMITED

Registered office : 14KM Stone, Aurangabad - Paithan Road,
Village Chittegaon, Taluka Paithan, Dist. Aurangabad - 431 105
CIN No. L99999MH1986PLC103624

10. Statement of Standalone Assets and Liabilities:

[Rs. in Crore]

Particulars	As at 31.12.2014 (Audited)	As at 30.06.2013 (Audited)
A. EQUITY AND LIABILITIES		
1. Shareholders' funds		
a) Share capital		
i) Equity share capital	334.46	318.76
ii) Preference share capital	-	15.33
b) Reserves and surplus	10,055.71	9,783.91
Sub-total - Shareholders' funds	**10,390.17**	**10,118.00**
2. Non-current liabilities		
a) Long-term borrowings	18,025.84	16,144.99
b) Deferred tax liabilities (net)	709.25	707.69
c) Other long-term liabilities	-	-
d) Long-term provisions	197.10	147.39
Sub-total - Non-current liabilities	**18,932.19**	**17,000.07**
3. Current liablities		
a) Short-term borrowings	4,644.04	5,752.73
b) Trade payables	1,152.47	1,141.28
c) Other current liabilities	2,978.56	2,822.39
d) Short-term provisions	68.70	94.69
Sub-total - Current liabilities	**8,843.77**	**9,811.09**
TOTAL - EQUITY AND LIABILITIES	**38,166.13**	**36,929.16**
B. ASSETS		
1. Non-current assets		
a) Fixed assets	6,661.93	6,595.77
b) Non-current investments	5,620.89	4,932.78
c) Long-term loans and advances	7,917.07	7,474.15
Sub-total - Non-current assets	**20,199.89**	**19,002.70**
2. Current assets		
a) Current investments	6.04	4.16
b) Inventories	2,404.10	2,157.90
c) Trade receivables	2,862.76	2,832.70
d) Cash and bank balances	2,449.70	485.83
e) Short-term loans and advances	10,125.24	12,127.11
f) Other current assets	118.40	318.76
Sub-total - Current assets	**17,966.24**	**17,926.46**
TOTAL - ASSETS	**38,166.13**	**36,929.16**

For and on behalf of the Board of
VIDEOCON INDUSTRIES LIMITED

V. N. DHOOT
CHAIRMAN & MANAGING DIRECTOR

Place: Mumbai
Date: 28th February, 2015