

Date :

LIMITED REVIEW REPORT

To
The Board of Directors of
VIDEOCON INDUSTRIES LIMITED

Dear Sir(s)

1. We have reviewed the accompanying statement of unaudited financial results of **VIDEOCON INDUSTRIES LIMITED** (the "Company") for the Quarter ended 31st March, 2016. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *As mentioned in Note No. 2 to the standalone unaudited financial results, the Company has up to 31st March, 2016, directly and through its subsidiaries, made investments of Rs. 7,500.20 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 also entered into agreement dated 16th March, 2016 with Bharti Airtel Limited, the details of which are given in Note No. 3 to the standalone unaudited financial results.*



KADAM & CO.
CHARTERED ACCOUNTANTS

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Date :

VTL has been continuously incurring losses and has huge accumulated losses as at 31st March, 2016. 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 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 March, 2016 is not ascertainable.

4. Based on our review conducted as above, *except for the possible effect of the matter described in paragraph 3 above, the impact of which on the results of the Company is unascertainable*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For KADAM & CO.
CHARTERED ACCOUNTANTS
Firm Registration No.: 104524W



U.S. KADAM
PARTNER
Membership No.: 31055



Place: Mumbai
Date: 14th May, 2016

U.S.
KADAM

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VIDEOCON INDUSTRIES LIMITED

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

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST MARCH, 2016

PART I				[Rs. in Crore]
Particulars	Quarter ended			Year ended
	31.03.2016	31.12.2015	31.03.2015	31.12.2015
	Unaudited	Audited	Unaudited	Audited
1. Income from Operations				
a) Net Sales/Income from operations (net of excise duty)	2,768.07	3,084.13	3,079.27	12,387.03
b) Other Operating Income	6.71	6.95	10.87	31.18
Total Income from Operations (net)	2,774.78	3,091.08	3,090.14	12,418.21
2. Expenses				
a) Cost of Materials consumed	1,021.53	1,098.80	982.91	4,073.30
b) Purchases of stock-in-trade	996.76	1,032.13	978.63	3,991.93
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	7.27	26.24	(2.38)	20.90
d) Employee benefits expense	68.31	69.17	73.69	283.43
e) Depreciation and amortisation expense	156.63	177.06	159.22	701.71
f) Other expenses	427.62	455.90	507.23	1,883.51
Total Expenses	2,678.12	2,859.30	2,699.30	10,954.78
3. Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	96.66	231.78	390.84	1,463.43
4. Other Income	267.18	266.42	213.47	844.33
5. Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	363.84	498.20	604.31	2,307.76
6. Finance costs	598.43	597.26	591.35	2,368.46
7. Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(234.59)	(99.06)	12.96	(60.70)
8. Exceptional items	-	-	-	-
9. Profit/(Loss) from ordinary activities before tax (7+8)	(234.59)	(99.06)	12.96	(60.70)
10. Tax expense	(45.00)	(14.64)	2.50	(4.90)
11. Net Profit/(Loss) from ordinary activities after tax (9-10)	(189.59)	(84.42)	10.46	(55.80)
12. Extraordinary items (net of tax expenses)	-	-	-	-
13. Net Profit/(Loss) for the period (11-12)	(189.59)	(84.42)	10.46	(55.80)
14. Paid-up Equity Share Capital (Face Value Rs.10/- per share)	334.46	334.46	334.46	334.46
15. Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	9,972.29
16.i. Earnings per Share (before extraordinary items) (of Rs. 10/- each) (not annualised)				
a) Basic	(5.67)	(2.52)	0.31	(1.67)
b) Diluted	(5.67)	(2.52)	0.31	(1.67)
16.ii. Earnings per Share (after extraordinary items) (of Rs. 10/- each) (not annualised)				
a) Basic	(5.67)	(2.52)	0.31	(1.67)
b) Diluted	(5.67)	(2.52)	0.31	(1.67)

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Notes:

1. The Statutory Auditors have carried out limited review of the above results and the same have been reviewed by the Audit Committee and taken on record by the Board of Directors at its meeting held on 14th May, 2016.
2. In respect of Auditors' qualifications in the review report for the quarter ended 31st March, 2016, 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. 7,500.20 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 has entered into agreement with Bharti Airtel Limited for trading the right to use 2 x 5 MHz spectrum allotted to it, the details of which are given in Note No. 3 below.

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

3. The Subsidiary, Videocon Telecommunications Limited (VTL) has entered into agreement dated 16th March, 2016 with Bharti Airtel Limited for trading the right to use 2 x 5 MHz Spectrum in the 1800 MHz band allotted to it in 6 circles at an aggregate consideration of Rs. 4,428.00 Crore, in terms of the Guidelines for Trading of Access Spectrum by Access Service Providers dated 12th October, 2015. The closing of the transaction is subject to satisfaction of the standard conditions including the conditions stated in the Spectrum Trading Guidelines.

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

4. Tax expense for the quarter and period ended represents provision for current tax, MAT credit entitlement, deferred tax and excess/short provision of income tax for earlier years.
5. The figures have been regrouped/reclassified wherever necessary to make them comparable.

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

[Rs. in Crore]

Particulars	Quarter ended			Year ended
	31.03.2016	31.12.2015	31.03.2015	31.12.2015
	Unaudited	Audited	Unaudited	Audited
i) Segment revenue				
a) Consumer electronics and home appliances	2,682.61	2,946.24	2,851.30	11,612.63
b) Crude oil and natural gas	87.83	140.59	234.41	789.38
c) Power	4.34	4.25	4.43	16.20
Total	2,774.78	3,091.08	3,090.14	12,418.21
Less: Inter segment revenue	-	-	-	-
Net sales/income from operations	2,774.78	3,091.08	3,090.14	12,418.21
ii) Segment results (Profit before tax and finance costs from each segment)				
a) Consumer electronics and home appliances	83.36	201.80	365.13	1,315.18
b) Crude oil and natural gas	13.72	37.33	26.01	161.52
c) Power	2.40	2.32	2.74	8.79
Total	99.48	241.45	393.88	1,485.49
Less:				
a) Finance costs	598.43	597.26	591.35	2,368.46
b) Other unallocable expenditure net of unallocable income (income)	(264.36)	(256.75)	(210.43)	(822.27)
Total profit/(loss) before tax	(234.59)	(99.06)	12.96	(60.70)
iii) Capital employed [Segment assets less segment liabilities] [Based on estimates in terms of available data]				
a) Consumer electronics and home appliances	6,711.44	6,772.23	6,776.87	6,772.23
b) Crude oil and natural gas	381.88	391.15	385.94	391.15
c) Power	544.52	545.33	543.85	545.33
Total capital employed in segments	7,637.84	7,708.71	7,706.66	7,708.71
Unallocable corporate assets less corporate liabilities	2,479.32	2,598.04	2,666.35	2,598.04
Total capital employed	10,117.16	10,306.75	10,373.01	10,306.75

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.

For and on behalf of the Board of
VIDEOCON INDUSTRIES LIMITED



V. N. DHOOT
CHAIRMAN & MANAGING DIRECTOR

Place: Mumbai
Date: 14th May, 2016