

April 28, 2023

To,

Corporate Relations Department <b>BSE Limited</b> P. J. Towers, Dalal Street Mumbai – 400 001 <b>Scrip Code:</b> 500945	Corporate Relations Department <b>The National Stock Exchange of India Ltd.</b> Exchange Plaza, Bandra-Kurla Complex, Bandra East, Mumbai – 400051 <b>NSE Symbol:</b> VALUEIND
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Dear Sir/Madam,

**Sub.: Intimation under Regulation 30 and 33 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding consideration of audited financial results for the quarter/year ended on March 31, 2020 along with the Independent Auditor's Report submitted by the Statutory Auditors of Value Industries Limited.**

As the exchange is aware, pursuant to an application filed before the Hon'ble National Company Law Tribunal, Mumbai ("NCLT" / "Adjudicating Authority") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC" / "the Code") against Value Industries Limited ("the **Company**" / the "Corporate Debtor"), the Adjudicating Authority had admitted the application for the initiation of the corporate insolvency resolution process ("CIRP") of the Corporate Debtor vide an order dated September 5, 2018 and appointed Mr. Dushyant Dave as the insolvency resolution professional.

Thereafter, separate applications were filed by State Bank of India (on behalf of all the financial creditors) and Mr. Venugopal Dhoot (one of the promoters of the Videocon group) for the consolidation of the Corporate Debtor along with other 12 Videocon group companies namely, Videocon Industries Limited, Videocon Telecommunications Limited, Evans Fraser & Co. (India) Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Electroworld Digital Solutions Limited, Techno Kart India Limited, Century Appliances Limited, Techno Electronics Limited, PE Electronics Limited, CE India Limited and Sky Appliances Limited; (collectively referred to as the "**Videocon Group Entities**"). The Adjudicating Authority, vide its order dated August 8, 2019, allowed State Bank of India's application by, inter alia, (i) allowing the consolidation of the CIRP of the Corporate Debtor with Videocon

Group Entities and (ii) appointing Mr. Mahender Khandelwal as the insolvency resolution professional for the Videocon Group Entities.

Subsequently, the first meeting of the Consolidated Committee of Creditors of the Corporate Debtors (CoC) was held on September 16, 2019. At the first meeting of the CoC, the CoC approved the name of Mr. Abhijit Guhathakurta as the Resolution Professional for the Videocon Group Entities, including the Corporate Debtor in place of Mr. Mahender Khandelwal. Mr. Abhijit Guhathakurta's appointment as the Resolution Professional of the Videocon Group Entities (Resolution Professional) was approved by the Adjudicating Authority vide its order dated September 25, 2019. A copy of the said order of the Adjudicating Authority was made available to the Resolution Professional on September 27, 2019 when the same was uploaded on the website of the Adjudicating Authority. On and from the date of publication of the aforesaid order, the powers of the board of directors of the Corporate Debtor stand vested in the Resolution Professional.

Thereafter, CoC had approved the resolution plan submitted by Twin Star Technologies Limited (the "Resolution Plan"), by passing the requisite resolution with 95.09% majority/voting share in accordance with the provisions of Section 30(4) of the Code. The said Resolution Plan, as approved by the CoC, had been filed with the NCLT in accordance with the Section 30(6) of the Code for its approval on December 15, 2020. Further, NCLT vide order dated June 08, 2021 ("Approval Order"), approved the resolution plan submitted by Twin Star Technologies Limited ("Approved Plan"). In terms of the Approved Plan, a steering committee had been constituted ("Steering Committee"). The Steering Committee in its meeting held on June 18, 2021 had appointed the Resolution Professional, Mr. Abhijit Guhathakurta, as the interim manager of the Corporate Debtors ("Interim Manager"), for undertaking the management and control the Company, from the date of Approval Order till the completion of the implementation process on the Closing Date (as provided under the Approved Plan).

However, pursuant to the appeals filed by three dissenting financial creditors (among others) before the Hon'ble National Company Law Appellate Tribunal, New Delhi (the "NCLAT"), the Hon'ble NCLAT, vide its order dated July 19, 2021 in the said Appeals (the "Stay Order"), inter-alia stayed the operation of the NCLT Approval Order till the next date of hearing and ordered the maintenance of status quo ante as before passing of the NCLT Approval Order. Further, as per the Stay Order, the Resolution

Professional was directed to continue to manage the 13 Videocon Group Entities as per the provisions of the Code till the next date of hearing.

Later on, the NCLAT vide its final order dated January 05, 2022 set aside the Approval Order and remitted back the matter to the COC for completion of the process relating to CIRP in accordance with the provisions of the Code (the, "NCLAT Final Order").

Subsequently, pursuant to the NCLAT Final Order, the COC in their meeting held on January 12, 2022, decided to invite afresh expressions of interest for submission of a consolidated resolution plan for Corporate Debtors in accordance with IBC and CIRP Regulations.

However, Twin Star Technologies Limited challenged the NCLAT Final Order in Civil Appeals bearing numbers 509, 512 and 894 of 2022 before the Hon'ble Supreme Court ("SC Appeals"). The SC Appeals were listed on February 14, 2022, on which date, the Hon'ble Supreme Court made oral remark to the Resolution Professional and COC to not proceed further with the CIRP of the Corporate Debtors till any further orders in subsequent hearings. Pursuant to these oral remarks of the Hon'ble Supreme Court, the status quo is being preserved in the current CIRP of Consolidated Corporate Debtors till further orders/directions of the Hon'ble Supreme Court. Therefore, the Resolution Professional continues to manage the Videocon Group Entities (including the Company), as per the provisions of the Code. As a result, the powers of board of directors of the Corporate Debtor are being exercised by the Resolution Professional in terms of provisions of Section 25 of the Code.

We refer to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') and our intimation under regulation 29 of SEBI LODR Regulations dated April 21, 2023.

In this connection, in accordance with Regulation 30 and 33 of the SEBI LODR Regulations and the provisions of the SEBI LODR Regulations, we wish to inform you that based on the confirmations provided by the group resources (employees, officials and consultants handling accounts and secretarial compliances of Videocon Group Entities), the Resolution Professional has considered, signed and taken on record the Audited Financial Results of the Company for the quarter/ financial year ended March 31, 2020, along with the Independent Auditor's Report thereon ("**Financial Results**").

Accordingly, we enclose herewith the following:

- (i) Independent Auditor's Report on audited financial results for the quarter/ financial year ended March 31, 2020.
- (ii) The audited financial results of the Company for the quarter/ financial year ended March 31, 2020.
- (iii) Statement on Impact of Audit Qualification (for audit report with modified opinion) submitted along-with annual audited financial results.

Kindly consider the same for your records.

Thanking you,

Yours truly,

For **VALUE INDUSTRIES LIMITED**  
**(A Company under Corporate Insolvency Resolution**  
**Process by NCLT order dated 05<sup>th</sup> September, 2018**  
**read with order dated 08<sup>th</sup> August, 2019)**

**SHYAM RAMESH LALSARE**  
**DIRECTOR**  
**DIN: 08901418**

**Encl:** As above



**KVA & COMPANY**  
**CHARTERED ACCOUNTANTS**

**C-570, First Floor**  
**Saraswati Vihar, Pitampura**  
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## **INDEPENDENT AUDITOR'S REPORT**

**To**  
**The Members of**  
**VALUE INDUSTRIES LIMITED**  
**(Company under Corporate Insolvency Resolution Process "CIRP")**

**Report on the Audit of the Financial Statements for Financial Year -2019-2020**

### **Material Background for this Audit Report**

Pursuant to an application filed before the Hon'ble National Company Law Tribunal, Mumbai ("NCLT" / "Adjudicating Authority") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC" / "the Code") against "**Value Industries Limited**" (the "**Corporate Debtor**") / "**the Company**"), the Adjudicating Authority had admitted the application for the initiation of the corporate insolvency resolution process ("CIRP") of the Corporate Debtor vide an order dated September 5, 2018 and appointed Mr. Dushyant Dave as the insolvency resolution professional.

Thereafter, separate applications were filed by State Bank of India (on behalf of all the financial creditors) and Mr. Venugopal Dhoot (one of the promoters of the Videocon group) for the consolidation of the Corporate Debtor along with other group companies. The Adjudicating Authority, vide its order dated August 8, 2019, allowed State Bank of India's application by, inter alia, (i) allowing the consolidation of the CIRP of the Corporate Debtor with that of 12 other Videocon group companies namely, Videocon Industries Limited, Videocon Telecommunications Limited, Evans Fraser & Co. (India) Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Electroworld Digital Solutions Limited, Techno Kart India Limited, Century Appliances Limited, Techno Electronics Limited, PE Electronics Limited, CE India Limited and Sky Appliances Limited; (collectively referred to as the "**Corporate Debtors**" or "**Videocon Group Entities**") and (ii) appointing Mr. Mahender Khandelwal as the insolvency resolution professional for the Videocon Group Entities.

Subsequently, the first meeting of the Consolidated Committee of Creditors of the Corporate Debtors (CoC) was held on September 16, 2019. At the first meeting of the CoC, the CoC approved the name of Mr. Abhijit Guhathakurta as the Resolution Professional for the Videocon Group Entities, including the Corporate Debtor in place of Mr. Mahender Khandelwal. Mr. Abhijit Guhathakurta's appointment as the Resolution Professional of the Videocon Group Entities ("**Resolution Professional**" / "**RP**") was approved by the Adjudicating Authority vide its order dated September 25, 2019. A copy of the said order of the Adjudicating Authority was made available to the Resolution Professional on September 27, 2019 when the same was uploaded on the website of the Adjudicating Authority. On and from the date of publication of the aforesaid order, the powers of the board of directors of the Corporate Debtor stand vested in the Resolution Professional.

Thereafter, CoC had approved the resolution plan submitted by Twin Star Technologies Limited (the "**Resolution Plan**"), by passing the requisite resolution with 95.09% majority/voting share in accordance with the provisions of Section 30(4) of the Code. The said Resolution Plan, as approved by the CoC, had been filed with the NCLT in accordance with the Section 30(6) of the Code for its approval on December 15, 2020. Further, NCLT vide order dated June 08, 2021 ("**Approval Order**"), approved the resolution plan submitted by Twin Star Technologies Limited ("**Approved Plan**").



In terms of the Approved Plan, a steering committee had been constituted ("Steering Committee"). The Steering Committee in its meeting held on June 18, 2021 had appointed the Resolution Professional, Mr. Abhijit Guhathakurta, as the interim manager of the Corporate Debtors ("Interim Manager"), for undertaking the management and control the Company, from the date of Approval Order till the completion of the implementation process on the Closing Date (as provided under the Approved Plan).

However, pursuant to the appeals filed by three dissenting financial creditors (among others) before the Hon'ble National Company Law Appellate Tribunal, New Delhi (the "NCLAT"), the Hon'ble NCLAT, vide its order dated July 19, 2021 in the said Appeals (the "Stay Order"), inter-alia stayed the operation of the NCLT Approval Order till the next date of hearing and ordered the maintenance of status quo ante as before passing of the NCLT Approval Order. Further, as per the Stay Order, the Resolution Professional was directed to continue to manage the 13 Videocon Group Entities as per the provisions of the Code till the next date of hearing.

Later on, the NCLAT vide its final order dated January 05, 2022 set aside the Approval Order and remitted back the matter to the COC for completion of the process relating to CIRP in accordance with the provisions of the Code (the, "NCLAT Final Order").

Subsequently, pursuant to the NCLAT Final Order, the COC in their meeting held on January 12, 2022, decided to invite afresh expressions of interest for submission of a consolidated resolution plan for Corporate Debtors in accordance with IBC and CIRP Regulations.

However, Twin Star Technologies Limited challenged the NCLAT Final Order in Civil Appeals bearing numbers 509, 512 and 894 of 2022 before the Hon'ble Supreme Court ("SC Appeals"). The SC Appeals were listed on February 14, 2022, on which date, the Hon'ble Supreme Court made oral remark to the Resolution Professional and COC to not proceed further with the CIRP of the Corporate Debtors till any further orders in subsequent hearings. Pursuant to these oral remarks of the Hon'ble Supreme Court, the status quo is being preserved in the current CIRP of Consolidated Corporate Debtors till further orders/directions of the Hon'ble Supreme Court. Therefore, the Resolution Professional continues to manage the Videocon Group Entities (including the Company), as per the provisions of the Code. As a result, the powers of board of directors of the Corporate Debtor are being exercised by the Resolution Professional in terms of provisions of Section 25 of the Code.

It is also understood that the Resolution Professional has filed applications with Hon'ble NCLT under section 19 of the Code, seeking co-operation from promoters and erstwhile management of the company for providing various data, primarily pertaining to pre-CIRP period and certain additional data that is required for preparing the Financial Statements. The requested data is still not made available to be Resolution Professional / Company. Hence, in the absence of detailed books of accounts of earlier years, including ledger copies / supporting documents as required to be maintained under the provisions of section 128 of Companies Act, 2013, the Financial Statements have been prepared by the Group Resources on the basis of available data on best effort basis.

### **Disclaimer of Opinion**

We have audited the Financial Statements of **VALUE INDUSTRIES LIMITED** ("the Company"), which comprise of the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, and Statement of Cash Flows for the year then ended, and Notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on the same date (hereinafter referred to as the "Financial Statements").

*We do not express an opinion on the accompanying Financial Statements of the Company.* Because of the significance of the matters described in the 'Basis for Disclaimer of Opinion' paragraph of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Financial Statements of the Company as at March 31, 2020.



## **Basis for Disclaimer of Opinion**

For the paragraphs mentioned below (1-18), we are unable to comment on the elements of Financial Statements which may require necessary disclosures/ documentation/ explanation/and or adjustments and impact of the same on the Financial Statements. We were unable to obtain sufficient and appropriate audit evidence on the matters mentioned below, which may have a material and pervasive impact on the financial position of the Company for year ended on March 31, 2020.

- 1) Vide Note No-54 of Financial Statements, the RP has disclaimed his liability on account of signing the Financial Statements and further stated that RP is not making any representations regarding the accuracy, veracity or completeness of the data or information in the Financial Statements.

Further, the Group Resources and the RP (including his team) have relied on the opening Balance Sheet and the balances reflected in available accounts / ledgers/ trial balance as on 31st March, 2019, without going into the merits of such balances outstanding, and without making any adjustments to such accounts / balances except for giving effect to the transactions entered during the year. In view of the same, the company has not adequately followed provisions of section 128 of Companies Act, 2013. Thus, consequential cumulative effects on the Financial Statements are unascertainable.

It may also be noted that, since the predecessor auditor had issued an audit report with a "disclaimer opinion", coupled with the fact that detailed books of accounts / supporting documents of earlier years are not presently available with the Company, we are unable to obtain a reasonable assurance on the opening balances carried forwarded by the Company.

- 2) The Company has not provided Fixed Assets Register and other relevant documents/ records as prescribed in accordance with Ind AS 16 "Property Plant & Equipment". We have been provided certain available records/details however, we are unable to confirm the completeness and exhaustiveness of the said records/details shared, including status of title/ possession of all Property Plant & Equipment. It may however be noted that, the RP has already filed applications before NCLT under section 19 of IBC for the handing over of complete and accurate details/records with regards to the fixed assets of the Company. Also, as mentioned in Note No-50 of the Financial Statements, no revaluation or impairment assessment has been carried out on such assets. Neither any report pertaining to physical verification of such assets was made available to us. Accordingly, we are unable to confirm the valuation (including impact of any impairment, obsolescence, damage, etc.) and ownership of such assets along with the depreciation charged in statement of profit and loss account. Due to insufficiency of data/records, we are unable to obtain sufficient appropriate audit evidence whether any adjustments are necessary in respect of property, plant and equipment as at March 31, 2020.
- 3) Further, we draw your attention to Note No-4 along with Note No-50 to the Financial Statements. The Company has neither revalued nor measured investments according to Ind AS-13 "Fair value measurements" nor has the Company complied with the requirements of Ind AS-36 "Impairment of assets". As such, we are unable to determine whether any additional adjustments / disclosures are required on investments reported as at March 31, 2020.
- 4) We have not been provided with any physical verification reports of inventories at the beginning and end of the year. Hence, we are unable to comment / confirm on the quantity and valuation of Inventories held as at March 31, 2020 which are stated in the Balance Sheets at Rs. 249.88 Million (2019: Rs. 305.82 Million) under note no. 8. As such, we are unable to determine whether any adjustments in accordance with Ind AS-2 "Inventories" are necessary to the Financial Statements in respect of recorded (or unrecorded) inventories and further cannot comment on the items which are obsolete, damaged and their proper reflection in the Financials Statements.



Further, in the absence of physical verification and fair valuation of inventories, we are unable to comment or confirm on the correctness of the amount charged towards Cost of material Consumed during the year as mentioned under Note No. 25 and the Changes in Inventories (in finished goods, work-in-progress and stock in trade) as disclosed under Note No.27.

- 5) The company has not produced any documents/ information/ relating to Grant form ozone Project (as set out in Note No-17 to the Financial Statements with a carrying value of Rs. 16.39 million as at 31<sup>st</sup> March, 2020). As such, we are unable to ascertain impact of the same in Financial Statements at this stage.
- 6) As mentioned in Note No-31 the company has not made any adjustment to Deferred Tax Asset/Liability for the year under consideration. Accordingly, Ind AS-12 "Income Tax" has not been followed by the Company. Resultant impact, if any, on the Financials Statements is not ascertainable at this stage.
- 7) With respect to Note No-33 to the Financial Statements regarding Financial Instruments, read with Note 50 to the financial statements, the company has not complied with the requirements of Ind AS -109 – Financial Instruments. As such, its impact on the Financial Statements is not ascertainable at this stage.
- 8) As referred in Note no-35, valuation towards employee benefit expenses is based on actuarial valuation report. Since the company is into CIRP, the assumptions considered and the resultant outcomes may change basis the outcome of CIRP. As such, we are unable to comment on impact, if any, on the Financial Statements.
- 9) As mentioned in Note No- 36, in the absence of breakup/ details pertaining to contingent liability as at 31<sup>st</sup> Mar 2019, the company has relied on the opening balances without evaluating if any changes are required to such opening balances during the year. As such, the company has not disclosed contingent liability in accordance with Ind AS-37 "Provisions, Contingent Liabilities and Contingent Assets". Further, we are unable to comment on the completeness / exhaustiveness of the contingent liabilities covered and any impact that may be necessary on the Financial Statements at this stage.
- 10) With respect to Note Nos-39 (on SCN received from DRI) and 40 (on disclosures pertaining to MSMEs), we have not been provided any documents/ records. We are therefore unable to comment upon these.
- 11) With respect to related party disclosures made under Note No.46 of the financial statements, we are unable to confirm or comment whether the details provided are complete and in compliance with the requirements of section 188 of the Companies Act, 2013 and Ind AS-24 "Related Party Disclosures".
- 12) As mentioned in Note No. 51 to the financial statements, pursuant to commencement of CIRP of the Company under Insolvency and Bankruptcy Code, 2016, there are various claims submitted by the financial creditors, operational creditors, employees and other creditors to the RP. The overall obligations and liabilities including interest on loans and the principal amount of loans shall be determined during the CIRP. Outcome of the CIRP process is still pending thus no accounting impact in the books of accounts has been made in respect of excess, short, or non-receipts of claims for financial creditors, operational creditors, employees and other creditor. Hence, consequential impact, if any, is currently not ascertainable and we are unable to comment on possible financial impacts of the same.

Further, as mentioned in Note No-38 of financial Statement, the Company is under a co-obligor arrangement and its contingently liable in respect of the borrowings of other Obligors/ Borrowers to the extent of outstanding principal balance of Rupee Term Loans as on March 31, 2020 of Rs. 210,123.87 Million (As at March 31, 2019 Rs. 210,123.87 Million). As such, consequential



impact, if any, is currently not ascertainable and we are unable to comment on possible financial impacts of the same.

Further, as mentioned under Note No. 18 and 29 since the commencement of CIRP, there is a Moratorium in terms of section 14 of the Code towards repayment of existing debts and interest thereon. However, pending the completion / final outcome of CIRP, the Company has continued to provide for the interest for full financial year, including the moratorium period. Payment towards such interest expenses are subject to the provisions of the Code and outcome of CIRP. We have not received supporting documents for such borrowings, including relevant sanction letters and other relevant documents for verifying the actual interest rates. As such, we are also unable to confirm whether the Borrowings of Rs. 10,515.57 Million (2019: Rs. 9,452.61 Million) as reported under Note No-18 and 29 provide an accurate status and whether the basis for interest charged in statement of profit and loss account is in accordance with Ind AS-23 "Borrowing Cost".

13) During the conduct of audit, we have also been informed that the balance confirmations are not available in respect of the balances of loans and advances, receivables, trade payables, and other receivables and payables. As such, we are unable to ascertain impact on Financial Statements. However, in case of balance with banks (INR 7.01 Million), we have been provided most of the copies of bank statements (subject to their reconciliations).

14) As per the information and explanations given to us, the Company had carrying value of investments of Rs. 60.51 Million, has given advances of Rs. 35.16 Million and has trade receivables of Rs. 1,346.72 Million aggregating to Rs. 1,442.39 Million in group/affiliate companies which have been referred to National Company Law Tribunal and consequently admitted to CIRP under the Insolvency and Bankruptcy Code, 2016. As such, we are unable to express an opinion on the extent of realisability of aforesaid investments, advances and trade receivables from group / affiliate companies till the completion of resolution process of group/ affiliate entities. The consequential cumulative effects thereof on loss including other comprehensive income for the year, assets and other equity is unascertainable. Further, we are also unable to assess the genuineness and recoverability of other loans and advances issued by the Company which form part of the opening balances as at 1st April, 2019.

15) According to the details made available to us and on the basis of filings made on the GST portal, the company has defaulted / made delayed filings pertaining to the annual compliances of Goods and Service Tax (GST) along with the compliances of Income Tax Act, as applicable during the year. As such, we are unable to comment upon the future liability and/or any other financial impact that may arise on the Company.

16) The Company has not submitted its financial results for the quarter/period ended March 31, 2018 and subsequent periods within due time as required under regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Consequently, we are unable to comment on the monetary impact that may arise on the company for such or any other non-compliances. Additionally, the equity shares of the Company are also suspended from trading on the BSE Limited and National Stock Exchange of India Limited.

17) We also draw your attention to Note No-47 to the Financial Statements. The Resolution Professional has filed applications with Hon'ble NCLT under section 19 of the Code seeking co-operation from promoters and erstwhile management of the company, for providing various data, primarily pertaining to pre-CIRP period and certain additional data that is required for preparing Financial Statements and data requested by various investigating agencies. In the absence of relevant data, the financials have been prepared on the basis of available data on best effort basis.



Further, other deviations from the requirements of Companies Act, 2013 and Indian Accounting Standards have also been highlighted in this report. As such, the Company has not followed all of the standard accounting policies as prescribed in Note-1 to the Financial Statements on various matters and the Financial Statements have not been prepared in strict compliance with the requirements of relevant sections of the Companies Act, 2013 and Ind AS along with other rules and regulations. The overall financial impact, if any, is unascertainable.

We also draw your attention to Note no-48 and 49 of the Financial Statements, wherein it is mentioned that an independent Transaction Review Audit was conducted as required under section 43-66 of IBC for identification of Preferential, Undervalued, Extortionate, and Fraudulent transactions as defined and explained under IBC. The resultant observations from the Audit had indicated that there may be certain questionable accounting entries and/or transactions entered into before commencement of CIRP. And further, there are ongoing investigations against Videocon Group Entities by different government agencies, including SFIO and Directorate of Enforcement.

In this regard, we have not been provided any copy of notice/ report/information/documents on such Transaction Review Audit and ongoing investigations. Hence, we are unable to comment on necessary changes that may be required in the Financial Statements at this stage

18) The Company has mentioned in Note 52 of the Financial Statements that, considering the Company is being run as a going concern under CIRP, the Financial Statements have been prepared on going concern basis. However, we found Material uncertainty relating to Going Concern assumption applied to the Financial Statements. The Company has been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016, and there is considerable decline in level of operations of the Company, and net worth of the Company reported at Rs. (7,431.55) Million as on the reporting date is negative and it continues to incur losses. The Company is a co-obligor and has received demand notices in respect of borrowings of other obligors/borrowers. Thus, there exists a material uncertainty about the ability of the Company to continue as a "Going Concern". The same is dependent upon the outcome of SC Appeals and /or any other developments on the resolution process of Videocon Group Entities. The appropriateness of the preparation of Financial Statements on going concern basis is critically dependent upon CIRP as specified in the Code. Necessary adjustments required on the carrying amount of assets and liabilities are not ascertainable.

For the matters mentioned in para (1) to (18) above, we are unable to determine the adjustments that are necessary in respect of Company's assets, liabilities as on Balance sheet date, income and expenses for the year, cash flow statement and related presentation and disclosures in Financial Statements so we disclaim to form any opinion on the Financial Statement.

We further inform that we were appointed as the Statutory Auditor of the company only on June 27, 2022 for conducting statutory audit from FY 2019-20. For the matters stated in the "Basis for Disclaimer of Opinion paragraph above", we are not cognizant of matters that pertain to / transpired in earlier financial years (i.e. prior to FY 19-20) and hence cannot be implicated in ongoing proceedings for matters contained herein, which relate to earlier financial years.

### **Responsibilities of Management for the Financial Statements**

The Company's management is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and



estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The management is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of Financial Statements**

Our responsibility is to conduct an audit of the entity's Financial Statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we were not able to obtain sufficient appropriate audit evidence to provide an opinion on these financial statements.

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We are independent of the entity in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the entity.

We further inform that we were appointed as the Statutory Auditor of the company only on June 27, 2022 for conducting statutory audit from FY 2019-20. For the matters stated in the "Basis for Disclaimer of Opinion paragraph above", we are not cognizant of matters that pertain to / transpired in earlier financial years (i.e. prior to FY 19-20) and hence cannot be implicated in ongoing proceedings for matters contained herein, which relate to earlier financial years.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) As described in the Basis for Disclaimer of Opinion paragraph above, we have sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- b) Due to the possible effects of the matters described in the Basis for “Disclaimer Opinion” paragraph above and on account of relevant data not currently available with the Company for which applications have already been filed by the RP with NCLT under section 19 of the Code, we are unable to state whether proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of accounts presently maintained by the Company and disclosed to us, subject to the observation highlighted in point (b) above. However, we are unable to comment if they present a true & fair view of the affairs of the Company.
- d) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph above, we were unable to state whether the aforesaid Financial Statements comply with all the requirements of Indian Accounting Standards under section 133 of Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) The matters described under the Basis for Disclaimer of Opinion paragraph and Material Uncertainty relating to Going Concern paragraph above in our opinion, may have an adverse effect on functioning of the Company and on the amounts disclosed in Financial Statements of the Company.
- f) We have not received any written representation from the Directors as on March 31, 2020 with regard to disqualification from being appointed as a director in terms of Section 164(2) of the Act. Hence, we are unable to comment whether the directors are disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
3. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- (i) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph above, we are unable to state whether the Company has disclosed complete impact of pending litigations as at March 31, 2020 on its financial position in the financial statements;
- (ii) As per the information and explanation given to us, the Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses. (Refer note no.44).
- (iii) As per the information and explanation given to us, the Company was not required to be transfer any amount to the Investor Education and Protection Fund during the year. However, for abundant clarification, some previous year balances laying with company continue to remain pending to be transferred.



4. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. Accordingly, no remuneration has been paid to any director in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For KVA & Company**

Chartered Accountants

Firm's Registration No. 017771C


**(Vimal Kishore Agrawal)**

Partner

Membership No.510915

Place: New Delhi

Date: 27<sup>th</sup> April, 2023

## ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our report to the members of **M/S VALUE INDUSTRIES LIMITED** ("the Company") for the year ended March 31, 2020. We report that:

- (i) In respect of fixed assets:
  - (a) The Company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets. However, the Resolution Professional has explained that applications have already been filed with NCLT under section 19 of the Code seeking co-operation of the promoters / erstwhile management of the Company for providing the requisite data (incl. detailed fixed asset register).
  - (b) We have not been given information regarding physical verification of fixed assets carried out if any, during the year by the Company. Hence, we are unable to comment as to whether there is any material discrepancies on physical verification.
  - (c) As per the information and explanations provided to us, and in the absence of a fixed asset register (as explained before), we are unable to verify and confirm if title deeds of all the Immovable properties are held in the name of the Company.
- (ii) (a) We have not been provided any reports pertaining to physical verification of inventories conducted during the year. Hence, no audit evidence is available according to SA-501. As such, we are unable to comment if the frequency of the physical verification of inventories is reasonable.
- (b) We have not been provided any details pertaining to appointment of Valuers for verification of inventory and its valuation. Hence, we are unable to comment as to whether there is any material discrepancy noticed on physical verification which requires any adjustment in the books of accounts.
- (iii) As per the information and explanation given to us, the Company during the year has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register required to be maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanation given to us, the Company has not made any transaction during the year in violation of Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the period. Therefore, the provisions of clause (v) of the Order are not applicable.
- (vi) We have not been provided details of prescribed cost records required to be maintained by the company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under section 148(1) of the Companies Act, 2013, accordingly, we are unable to comment whether the company has maintained prescribed cost records.
- (vii) (a) According to the information and explanations given to us, the Company was regular in depositing undisputed statutory dues payable during the year, including provident fund, employees' state insurance, income tax, goods and service tax and other statutory dues with appropriate authorities wherever applicable. Further, according to the information and explanations given to us, undisputed arrears of statutory dues which were outstanding as on March 31, 2020 for a period of more than six months from the date they became payable and not paid till date (incl. dues in respect of period prior to CIRP commencement) are given below:



Nature of the Dues	INR. in Million
1. Central Sales Tax	0.01
2. Value Added Tax	82.52
3. Entry Tax	3.73
4. Profession Tax	0.39
5. Provident Fund	7.93
6. ESIC Fund	2.76
7. Income Tax (TDS)	0.11

(b) According to the information and explanation given to us, details of dues of income tax, goods and service tax, sales tax, service tax, custom duty, excise duty, value added tax, cess which have not been deposited as on March 31, 2020 on account of disputes are given below:

Name of Statute	Nature of the Dues	INR. in Million	Forum where dispute is pending
1. Customs Act, 1962	Custom Duty and Penalties	4.37 5.46	Commissioner Asst. Commissioner
2. Central Excise Act, 1944	Excise Duty and Penalties	19.73 187.72 2.81 8.82 0.49	CESTAT Commissioner (Appeals) Addl. Commissioner Deputy Commissioner Assistant Commissioner
3. Sales Tax Acts of various States	Sales Tax	3.57 1.24 0.46 48.17 927.44	Assistant Commissioner Deputy Commissioner Additional Commissioner Joint Commissioner Commissioner
4. Income Tax Act, 1961	Income Tax	17.60	CIT (Appeals)



(viii) According to the information and explanation given to us, we observed that the Company has defaulted in repayment of interest and principal amount of all loans to financial institutions and banks. The default runs into more than one year.

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

(ix) According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans during the year.

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

(xi) According to the information and explanations given to us, the Company has not paid or provided the managerial remuneration to any of its Director during the year.

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

(xiii) As explained in the Basis for "*Disclaimer of Opinion*" section of our main report, we are unable to comment whether the transactions during the year with the related parties were in compliance with Section 177 and 188 of the Companies Act, 2013.

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

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

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

**For KVA & Company**

Chartered Accountants

Firm's Registration No. 017771C

A handwritten signature in blue ink, appearing to read 'Vimal Kishore Agrawal', is written over a circular blue stamp. The stamp contains the text 'THE INSTITUTE OF CHARTERED ACCOUNTANTS' around the perimeter and 'INDIA' at the bottom.

**(Vimal Kishore Agrawal)**

Partner

Membership No.510915

Place: New Delhi

Date: 27<sup>th</sup> April, 2023

## **ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in para 2 (g) under 'Report on other legal and regulatory requirement' of our report of even date)

### **Report on internal financial control over financial reporting under clause (i) of sub-section 3 of section 143 of Companies Act 2013 ("the Act)**

We have audited the internal financial control over financial reporting of **VALUE INDUSTRIES LIMITED** ("the company") as of 31st March 2020 in conjunction with our audit of Financial Statements of the company for the year ended on that date.

#### **Management's responsibility for internal financial controls**

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

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting (the "Guidance Note") Issued by The Institute of Chartered Accountants of India and the standards on Auditing prescribed under section 143(10) Of Companies Act 2013, to the extent applicable to an audit of internal financial controls. Those standards and Guidance Note require that we comply with ethical requirements and plan and perform the order to obtain reasonable Assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining understanding of internal financial controls over financial reporting and assessing the risk that material weaknesses exist, the and testing and evaluating the design and operating effectiveness of internal control based on Assessed risk. The procedures depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, due to fraud or error.



### **Meaning of internal financial controls over financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of asset of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with Generally Accepted Accounting Principles and that receipts and expenditures of company are being made only in accordance with authorizations of Management of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent limitation of internal financial control over financial reporting**

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

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim Financial Statements will not be prevented or detected on a timely basis.

### **Disclaimer of Opinion**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph below, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2020. Accordingly, we do not express an opinion on the company's financial controls over financial reporting.



### **Basis for Disclaimer of Opinion**

For the reasons stated in our main report, i.e. "Basis for Disclaimer of Opinion" paragraph, we are unable to comment if the Company has an established system of internal control over financial reporting with regard to assessment of possible material adjustments that could arise/ may be required to be made to the recorded values in Financial Statements. Consequently, we are unable to obtain sufficient appropriate audit evidence so as to provide a basis for our opinion as to whether the Company had adequate internal financial controls over financial reporting and that whether such internal financial controls were operating effectively as at March 31, 2020.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Ind AS Financial Statements of the Company for the year ended March 31, 2020, and the disclaimer has affected our opinion on the said Financial Statements of the Company and we have issued a Disclaimer of opinion on the Ind AS Financial Statements of the Company.

### **For KVA & Company**

Chartered Accountants

Firm's Registration No. 017771C

**(Vimal Kishore Agrawal)**

Partner

Membership No.510915

Place: New Delhi

Date: 27<sup>th</sup> April, 2023

**VALUE INDUSTRIES LIMITED**  
Registered office : 14 KM Stone, Village Chittegaon, Taluka Palitnan, District Aurangabad  
Maharashtra, Pincode 431105  
CIN No. L99999MH1988PLC046445

**STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS  
FOR THE QUARTER ENDED 31ST MAR, 2020**

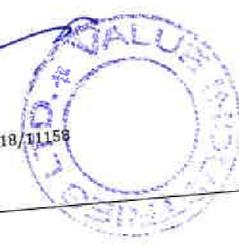
Particulars	Quarter ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>1. Income from Operations</b>					
(a) Net Sales/Income from Operations (Net of excise duty)	153	796	38.10	110.88	186.51
(b) Other Operating Income	-	-	-	-	-
<b>Total income from Operations (net)</b>	153	796	38.10	110.88	186.51
<b>2. Expenses</b>					
(a) Cost of Materials consumed	0.05	4.54	(3.30)	6.47	6.20
(b) Purchase of stock-in-trade	29.93	26.56	24.10	119.05	113.02
(c) Changes in Inventories of finished goods, work-in-progress and stock-in-trade	149.84	149.84	196.80	599.37	790.02
(d) Employee benefits expense	-	-	11.50	39.36	49.66
(e) Depreciation and amortisation expense	7.70	4.06	263.30	833.58	1,786.80
(f) Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	186.42	186.35	-	-	-
<b>Total Expenses</b>	-184.89	-178.39	-225.20	-722.70	-1,600.29
<b>3. Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	5.56	1.56	7.60	11.66	27.64
<b>4. Other Income</b>	-179.33	-176.83	-217.60	-711.04	-1,572.65
<b>5. Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)</b>	1,043.13	118.92	399.70	1,397.94	1,234.79
<b>6. Finance Costs</b>	-1,222.46	-295.76	-617.30	-2,108.98	-2,807.44
<b>7. Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 + 6)</b>	-179.33	-176.83	-217.60	-711.04	-1,572.65
<b>8. Exceptional Items</b>	-	-	12.30	0.00	49.07
<b>9. Profit / (Loss) from ordinary activities before tax (7 + 8)</b>	-1,222.46	-295.76	-605.00	-2,108.98	-2,758.37
<b>10. Tax expense</b>	-	-	-	-	-
<b>11. Net Profit / (Loss) from ordinary activities after tax (9 + 10)</b>	-1,222.46	-295.76	-605.00	-2,108.98	-2,758.37
<b>12. Extraordinary Items (net of tax expense Laksh)</b>	-	-	-	-	-
<b>13. Net Profit / (Loss) for the period (11 + 12)</b>	-1,222.46	-295.76	-605.00	-2,108.98	-2,758.37
<b>14. Share of Profit / (Loss) of associates</b>	-	-	-	-	-
<b>15. Minority Interest</b>	-	-	-	-	-
<b>16. Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13 + 14 + 15)</b>	391.86	391.86	391.86	391.86	391.86
<b>17. Paid-up equity share capital (Face Value of the Share shall be indicated)</b>	-	-	-	-	-
<b>18. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year</b>	-31.20	-7.55	-15.44	-53.82	-70.39
<b>19. (i) Earnings Per Share (before extraordinary items) of 10/- each</b>	-31.20	-7.55	-15.44	-53.82	-70.39
(a) Basic	-	-	-	-	-
(b) Diluted	-31.20	-7.55	-15.44	-53.82	-70.39
<b>19. (ii) Earnings Per Share (after extraordinary items) of 10/- each</b>	-31.20	-7.55	-15.44	-53.82	-70.39
(a) Basic	-	-	-	-	-
(b) Diluted	-31.20	-7.55	-15.44	-53.82	-70.39

For and on behalf of the Company

**ABHIJIT GUHA THAKURTA**  
Resolution Professional  
No. 1081/1PA-003/IP-N000103/2017-2019/11158

As per our report of even date  
For KVA & Company  
Chartered Accountants  
(Firm's Registration No. 017771C)  
**VIMAL KISHORE AGRAWAL**  
Partner  
ICAI Membership No: 510915

Place : New Delhi  
Date : April 27, 2023



Part "A"  
Statement of Assets and Liabilities as at 31st March 2020

(₹ in Million)

Particulars	As at Year end (31/03/2020)	As at Year end (31/03/2019)
<b>A EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' funds</b>		
a) Share Capital	391.86	391.86
b) Reserves and surplus	-7,823.40	-5,713.70
c) Money received against share warrants	-	-
<b>Sub-total - Shareholders' funds</b>	<b>-7,431.55</b>	<b>-5,321.84</b>
<b>2. Share application money pending allotment</b>	-	-
<b>3. Minority interest</b>	-	-
<b>4. Non-current liabilities</b>	-	-
(a) Long-term borrowings	-	-
(b) Deferred tax liabilities (net)	431.11	431.32
(c) Other long-term liabilities	16.39	20.31
(d) Long-term provisions	11.61	10.20
<b>Sub-total - Non-current liabilities</b>	<b>459.10</b>	<b>461.83</b>
<b>5. Current liabilities</b>		
(a) Short-term borrowings	14,915.57	13,852.61
(b) Trade payables	305.96	297.43
(c) Other current liabilities	2,795.58	2,805.13
(d) Short-term provisions	41.66	42.30
<b>Sub-total - Current liabilities</b>	<b>18,058.77</b>	<b>16,997.47</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>11,086.33</b>	<b>12,137.46</b>
<b>B ASSETS</b>		
<b>1. Non-current assets</b>		
(a) Fixed assets	6,405.71	7,005.08
(b) Goodwill on consolidation	-	-
(c) Non-current investments	62.17	62.31
(d) Deferred tax assets (net)	46.19	45.10
(e) Long-term loans and advances	4.08	4.05
(f) Other non-current assets	36.98	36.98
<b>Sub-total - Non-current assets</b>	<b>6,555.13</b>	<b>7,153.52</b>
<b>2 Current assets</b>		
(a) Current investments		
(b) Inventories	249.88	305.82
(c) Trade receivables	1,421.59	1,788.31
(d) Cash and cash equivalents	26.88	47.60
(e) Short-term loans and advances	2,687.55	2,686.27
(f) Other current assets	145.29	155.94
<b>Sub-total - Current assets</b>	<b>4,531.20</b>	<b>4,983.94</b>
<b>Total -Assets</b>	<b>11,086.33</b>	<b>12,137.46</b>

As per our report of even date  
For KVA & Company  
Chartered Accountants  
(Firm's Registration No. 017771G)

VIMAL KISHORE AGRAWAL  
Partner  
ICAI Membership No:510915

Place : New Delhi  
Date : April 27, 2023

For and on behalf of the Company

ABHIJIT GUHATHAKURTA  
Resolution Professional

No.: IBBI/IPA-003/IP-N000103/2017-2018/11158

## Part "B"

## Statement of Cash Flows for the year ended 31st March, 2020

(₹ in Million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before Tax	(2,108.98)	-2,807.44
Adjustments for:		
Depreciation and Amortisation	599.37	790.02
Finance Costs	1,397.94	1,234.79
Provision for Warranty and Maintenance Expenses	-	-7.69
Provision for Gratuity	1.07	8.10
Provision for Leave Encashment	(0.29)	-0.46
Interest Income	(1.66)	-1.08
Adjustment of Grant	(3.92)	-3.92
<b>Operating Profit before Working Capital Changes</b>	<b>(116.48)</b>	<b>(787.68)</b>
Adjustments for:		
Inventories	55.94	719.76
Trade Receivables	31.72	344.17
Other financial and non financial assets	9.20	10.98
Trade Payables	8.52	-42.36
Other financial and non financial liabilities	(10.33)	53.81
<b>Cash generated from Operations</b>	<b>(21.44)</b>	<b>298.68</b>
Less: Taxes Paid (Net)	1.09	0.62
<b>Net Cash from / (used in) Operating Activities</b>	<b>(A) (22.53)</b>	<b>298.06</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Income	1.66	1.08
Sale of Fixed Assets	-	1.70
Purchase of Fixed Assets (Including Capital Work-in-Progress)	-	-1.33
(Increase)/Decrease in Fixed Deposits and Other Bank Balances	(0.88)	7.81
(Purchase)/Sale of Investments (Net)	(0.00)	0.00
<b>Net Cash from / (used in) Investing Activities</b>	<b>(B) 0.78</b>	<b>9.26</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Current Borrowings	-	933.05
Finance Costs	-	-1,234.79
Payment of Dividend	-	-
<b>Net Cash (used in) / from Financing Activities</b>	<b>(C) -</b>	<b>(301.74)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(A+B+C) (21.75)</b>	<b>5.58</b>
Cash and Cash Equivalents at beginning of the year	28.86	23.28
<b>Cash and Cash Equivalents at end of the year</b>	<b>7.12</b>	<b>28.86</b>

As per our report of even date

For KVA &amp; Company

Chartered Accountants

(Firm's Registration No. 017771C)




VIMAL KISHORE AGRAWAL

Partner

ICAI Membership No:510915

Place : New Delhi

Date : April 27, 2023

For and on behalf of the Company



ABHIJIT GUHATHAKURTA

Resolution Professional

No.: IBBI/IPA-003/IP-N000103/2017-2018/11158

Part "C"

CRITICAL NOTES FORMING PART OF THE FINANCIAL RESULTS

**Note 1** The Company operates in one reportable business segment i.e. "Consumer electronics and components/parts thereof".

**Note 2** The figures of the last quarter ended 31st March, 2020 are the balancing figures between audited figures in respect of the full financial year upto 31st March, 2020 and the unaudited year-to-date figures upto 31st December, 2019, being the date of the end of the third quarter of the financial year, which subjected to limited review.

**Note 3**

Pursuant to an application filed before the Hon'ble National Company Law Tribunal, Mumbai ("NCLT" / "Adjudicating Authority") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC" / "the Code") against Value Industries Limited ("Corporate Debtor") / "the Company", the Adjudicating Authority had admitted the application for the initiation of the corporate insolvency resolution process ("CIRP") of the Corporate Debtor vide an order dated September 5, 2018 and appointed Mr. Dushyant Dave as the insolvency resolution professional.

Thereafter, separate applications were filed by State Bank of India (on behalf of all the financial creditors) and Mr. Venugopal Dhoot (one of the promoters of the Videocon group) for the consolidation of the Corporate Debtor along with other group companies. The Adjudicating Authority, vide its order dated August 8, 2019, allowed State Bank of India's application by, inter alia, (i) allowing the consolidation of the CIRP of the Corporate Debtor with that of 12 other Videocon group companies namely, Videocon Industries Limited, Videocon Telecommunications Limited, Evans Fraser & Co. (India) Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Electroworld Digital Solutions Limited, Techno Kart India Limited, Century Appliances Limited, Techno Electronics Limited, PE Electronics Limited, CE India Limited and Sky Appliances Limited; collectively referred to as the "Corporate Debtors" / "Videocon Group Entities" and (ii) appointing Mr. Mahender Khandelwal as the insolvency resolution professional for the Videocon Group Entities.

Subsequently, the first meeting of the Consolidated Committee of Creditors of the Corporate Debtors (CoC) was held on September 16, 2019. At the first meeting of the CoC, the CoC approved the name of Mr. Abhijit Guhathakurta as the Resolution Professional for the Videocon Group Entities, including the Corporate Debtor in place of Mr. Mahender Khandelwal. Mr. Abhijit Guhathakurta's appointment as the Resolution Professional of the Videocon Group Entities ("Resolution Professional / RP") was approved by the Adjudicating Authority vide its order dated September 25, 2019. A copy of the said order of the Adjudicating Authority was made available to the Resolution Professional on September 27, 2019 when the same was uploaded on the website of the Adjudicating Authority.

On and from the date of publication of the aforesaid order, the powers of the board of directors of the Corporate Debtor stand vested in the Resolution Professional.

Thereafter, CoC had approved the resolution plan submitted by Twin Star Technologies Limited (the "Resolution Plan"), by passing the requisite resolution with 95.09% majority/voting share in accordance with the provisions of Section 30(4) of the Code. The said Resolution Plan, as approved by the CoC, had been filed with the NCLT in accordance with the Section 30(5) of the Code for its approval on December 15, 2020. Further, NCLT vide order dated June 09, 2021 ("Approval Order"), approved the resolution plan submitted by Twin Star Technologies Limited ("Approved Plan").

In terms of the Approved Plan, a steering committee had been constituted ("Steering Committee"). The Steering Committee in its meeting held on June 18, 2021 had appointed the Resolution Professional, Mr. Abhijit Guhathakurta, as the interim manager of the Corporate Debtors ("Interim Manager"), for undertaking the management and control of the Company, from the date of Approval Order till the completion of the implementation process on the Closing Date (as provided under the Approved Plan).

However, pursuant to the appeals filed by three dissenting financial creditors (among others) before the Hon'ble National Company Law Appellate Tribunal, New Delhi (the "NCLAT"), the Hon'ble NCLAT, vide its order dated July 19, 2021 in the said Appeals (the "Stay Order"), inter-alia stayed the operation of the NCLT Approval Order till the next date of hearing and ordered the maintenance of status quo ante as before passing of the NCLT Approval Order. Further, as per the Stay Order, the Resolution Professional was directed to continue to manage the 13 Videocon Group Entities as per the provisions of the Code till the next date of hearing.

Later on, the NCLAT vide its final order dated January 05, 2022 set aside the Approval Order and remitted back the matter to the CoC for completion of the process relating to CIRP in accordance with the provisions of the Code (the, "NCLAT Final Order"). Subsequently, pursuant to the NCLAT Final Order, the CoC in their meeting held on January 12, 2022, decided to invite afresh expressions of interest for submission of a consolidated resolution plan for Corporate Debtors in accordance with IBC and CIRP Regulations.

However, Twin Star Technologies Limited challenged the NCLAT Final Order in Civil Appeals bearing numbers 509, 512 and 894 of 2022 before the Hon'ble Supreme Court ("SC Appeals"). The SC Appeals were listed on February 14, 2022, on which date, the Hon'ble Supreme Court made oral remark to the Resolution Professional and CoC to not proceed further with the CIRP of the Corporate Debtors till any further orders in subsequent hearings. Pursuant to these oral remarks of the Hon'ble Supreme Court, the status quo is being preserved in the current CIRP of Consolidated Corporate Debtors till further orders/directions of the Hon'ble Supreme Court. Therefore, the Resolution Professional continues to manage the Videocon Group Entities (including the Company), as per the provisions of the Code. As a result, the powers of board of directors of the Corporate Debtor are being exercised by the Resolution Professional in terms of provisions of Section 25 of the Code.

**Note 4:**

The Resolution Professional has filed applications with Hon'ble NCLT under section 19 of the Code seeking co-operation from promoters and erstwhile management of the Company, for providing various data, including those that are required for preparing annual financial statements and data requested by various investigating agencies. In the absence of relevant data, these Financial Results have now been prepared on the basis of available data on best effort basis. However, it is clarified that these Financial Results are in agreement with the relevant books of accounts presently available/maintained by the Company.

**Note 5**

An independent Transaction Review Audit was conducted as required under section 43-66 of IBC for identification of Preferential, Undervalued, Extortionate, and Fraudulent transactions as defined and explained under IBC. The resultant observations from the Audit had indicated that there may be certain questionable accounting entries and/or transactions entered into before commencement of CIRP. In this regard, RP in compliance of his duties under the IBC has filed an application with NCLT to declare such transactions as void and be set aside. Adjustments, if any, for such transaction(s) may be made upon further directions from NCLT and/or upon any order being passed by NCLT.

**Note 6:**

There are ongoing investigations against Videocon Group Entities by different government agencies, including SFIO and Directorate of Enforcement. Merely by affixation of signatures by RP on these Financial Results, RP cannot be said to have any cognizance or knowledge of matters contained herein that pertain to the period prior to assumption of his office. RP is signing these Financial Results, fully relying in good faith upon these Financial Results as prepared by Group Resources. Accordingly, merely by affixation of signatures by RP on these Financial Results in good faith, no proceedings can be initiated nor RP be implicated in ongoing proceedings for matters contained herein which relate to period prior to his incumbency.



**CRITICAL NOTES FORMING PART OF THE FINANCIAL RESULTS (Contd.)**

**Note 7**

Since the Company is under CIRP and various Prospective Resolution Applicants ("PRAs") were conducting their independent due diligence for submitting a resolution plan, it was material to ensure that any change in books of the Corporate Debtor on account of revaluation of assets, impairment assessment, ascertainment of Fair Market Value of assets etc. does not provide any indicative pricing on the assets of the Corporate Debtor to the PRAs. Thus, in the interest of value maximisation under CIRP for all stakeholders, certain assets like property plant and equipment, unquoted investments, loan & advances, inventories etc. have been recorded at their carrying values after relevant adjustments for actual transactions undertaken during the financial year. Also, no additional provision has been made on outstanding receivables.

**Note 8**

Pursuant to commencement of CIRP of the Company under Insolvency and Bankruptcy Code, 2016, there are various claims submitted by the financial creditors, operational creditors, employees and other creditors to the RP. The overall obligations and liabilities including interest on loans and the principal amount of loans shall be determined during the CIRP. Pending final outcome of the CIRP, no accounting impact in the books of accounts has been made in respect of excess, short, or non-receipts of claims for financial, operational and other creditors.

**Note 9**

Considering the Company is being run as a going concern under CIRP, the Financial Results have been prepared on going concern basis.

**Note 10**

Previous year figures have been reclassified/regrouped wherever necessary to confirm to the classification of the current year.

**Note 11**

For FY 19-20, the Company has closed its books of accounts on accrual basis for the purpose of preparing annual Financial Results / annual Financial Results, in terms of the requirement(s) of Section 120 of the Companies Act, 2013. However, for the purpose of preparing / reporting quarterly results, considering the Company is into CIRP and various other financial and operational challenges, certain expenses may have been accounted by the Company during the year at a later date, instead of making provisions towards such expenses at the quarter end date.

**Note 12**

a) Pursuant to Consolidation of CIRP of Videocon Group Entities, due to limited availability of resources, the accounting and secretarial compliances of Videocon Group Entities (including the Corporate Debtor) are being collectively managed by employees, officials and consultants of Videocon Group Entities (hereinafter referred to as "Group Resources").

b) The Financial Results of the Company have been prepared by the Group Resources and accordingly, basis the confirmation provided by the Group Resources of the veracity and reliability of these Financial Results, these Financial Results have been taken on record and signed by Mr. Abhijit Guhathakurta, the resolution professional of the Company, subject to the following disclaimers:

i) The RP has assumed control of Corporate Debtor from with effect from September 27, 2019 and therefore was not in control of the operations or the management of the Corporate Debtor for the period prior to his assumption of office. On this account, RP does not have any visibility as to the matters that transpired prior to the date of his assumption of office as the RP of the Company, and is not in a position to independently verify or ascertain the matters as stated or reported in the said Financial Results and/or accompanying documents in respect of matters prior to the date of his assumption.

ii) These Financial Results are being furnished in good faith and accordingly, no suit, prosecution or other legal proceeding shall lie against the RP in terms of Section 233 of IBC; Further, pursuant to Regulation 39(7) of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("CIRP Regulations"), RP should be protected against any actions of the Corporate Debtor prior to assumption of his office. RP disclaims any liability whatsoever on account of signing these Financial Results.

iii) No statement, fact, information or opinion contained herein should be construed as representation or warranty, express or implied, of the RP including, his authorized representatives and advisors.

iv) These Financial Results have been prepared solely on the basis of confirmations, representations and statements made by the Group Resources. The RP has assumed that all information and data as provided by Group Resources in the Financial Results are in conformity with applicable laws with respect to the preparation of the Financial Results, and is true and correct. Accordingly, the RP is not making any representations regarding accuracy, veracity or completeness of the data or information in the Financial Results. In any case, considering that the said Financial Results relate to certain matters prior to RP's incumbency, RP is not in a position to either independently verify such matters as stated herein nor to make any representation or warranty in relation to these aspects.

v) The Group Resources and the RP (including his team) have relied on the opening Balance Sheet and the balances reflected in available accounts / ledgers/ trial balance as on 31st March, 2019, without going into the merits of such balances outstanding. Since these matters pertain to period prior to assumption of his office, the RP is constrained to rely on these materials on as is basis, without being able to independently verify or ascertain matters in relation to the same. No adjustments have been made to such accounts / balances except for giving effect to the transactions entered after 1st April 2019.

Further, insofar as the balances reflected as on 31 March 2019 are in corollary to the balances reflected as an insolvency commencement date/ 31 March 2018 (i.e. pre-CIRP), which cannot anyway be independently verified or ascertained by RP and in respect of which, application has also been filed by RP against the promoters and erstwhile management under Section 19 of the Code to seek requisite cooperation and data (which has not yet been provided to RP or Company), the balances outstanding as on 31 March 2019 could not have been verified on this account as well.

vi) These Financial Results have been prepared and are being finalized solely for the purposes of compliance of the Company in terms of applicable law. Considering that currently there is no pre-CIRP Director or any key managerial personnel who was part of the erstwhile management of the Company, the RP is signing these Financial Results merely for this limited purpose of achieving compliance status of the Company in terms of applicable law.

As per our report of even date  
For KVA & Company  
Chartered Accountants  
(Firm's Registration No. 017771C)

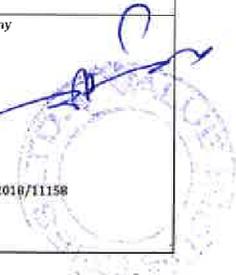
VIMAL KISHORE AGRAWAL  
Partner  
ICAI Membership No: 510915

Place : New Delhi  
Date : April 27, 2023



For and behalf of the Company

ABHIJIT GUHATHAKURTA  
Resolution Professional  
No. IBB/IPA-003/IP-N/000103/2017-2018/11158



VALUE INDUSTRIES LIMITED

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Standalone Annual Audited Financial Results of VALUE INDUSTRIES LIMITED

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020  
[See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Million)	Adjusted Figures (as reported after adjusting for qualifications) (Rs. In Million)
	1.	Total Income (Including Other Income)	122.54	122.54
	2.	Total Expenditure (including exceptional items)	2,231.52	2,231.52
	3.	Net Profit/(Loss)	(2,108.98)	(2,108.98)
	4.	Earnings Per Share	(53.82)	(53.82)
	5.	Total Assets	11,086.33	11,086.33
	6.	Total Liabilities	11,086.33	11,086.33
	7.	Net Worth	(7,431.55)	(7,431.55)
	8.	Any other financial item(s) (as felt appropriate by the management)		

**II. Audit Qualification (each audit qualification separately):**

**A. Qualification:**

**a. Details of Audit Qualification reproduced from the Independent Auditors' Report under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

*A) Vide Note No-12 of the Financial Results, RP has disclaimed his liability on account of signing the Financial Results and further stated that RP is not making any representations regarding the accuracy, veracity or completeness of the data or information in the Financial Results.*

*Further, the Group Resources and the RP (including his team) have relied on the opening Balance Sheet and the balances reflected in available accounts / ledgers/ trial balance as on 31st March, 2019, without going into the merits of such balances outstanding, and without making any adjustments to such accounts / balances except for*



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giving effect to the transactions entered during the year. In view of the same, the company has not adequately followed provisions of section 128 of Companies Act, 2013. Thus, consequential cumulative effects on the Financial Results are unascertainable.

It may also be noted that, since the predecessor auditor had issued an audit report with a "Disclaimer of Opinion", coupled with the fact that detailed books of accounts / supporting documents of earlier years are not presently available with the Company, we are unable to obtain a reasonable assurance on the opening balances carried forwarded by the Company.

- B) Certain expenses have been accounted by the Company at the end of year (i.e. in the current quarter), instead of recording / making provisions towards such expenses at respective quarter end dates during the year.
- C) The Company has not provided Fixed Assets Register and other relevant documents/ records as prescribed in accordance with Ind AS 16 "Property Plant & Equipment". We have been provided certain available records/details however, we are unable to confirm the completeness and exhaustiveness of the said records/details shared, including status of title/ possession of all Property Plant & Equipment. It may however be noted that, the RP has already filed applications before NCLT under section 19 of IBC for the handing over of complete and accurate details/records with regards to the fixed assets of the Company. Also, as mentioned in Note No-7 of the Financial Results, no revaluation or impairment assessment has been carried out on such assets. Neither any report pertaining to physical verification of such assets was made available to us. Accordingly, we are unable to confirm the valuation (including impact of any impairment, obsolescence, damage, etc.) and ownership of such assets along with the depreciation charged in statement of profit and loss account. Due to insufficiency of data/records, we are unable to obtain sufficient appropriate audit evidence whether any adjustments are necessary in respect of property, plant and equipment as at March 31, 2020.
- D) As per the information and explanations given to us with respect to Investments, the Company has carrying value of investments in group affiliated company amounting to INR 60.51million, and has trade receivables of INR 1,346.72 million, (aggregating to INR 1,407.23 millions), in group/affiliate companies which have been referred to National Company Law Tribunal and consequently admitted to CIRP under the Insolvency and Bankruptcy Code, 2016. As such, we are unable to express an opinion on the extent of realizability of aforesaid investments and trade receivables from group / affiliate companies till the completion of resolution process of group/ affiliate entities.

Also, as mentioned in Note No-7 of the Financial Results, the Company has neither revalued nor measured investments according to Ind AS-13 "Fair value measurements" nor complied with the requirements of Ind AS-36 "Impairment of assets". Further, some of the share certificates are not available with the company nor do they have any record/document available at this stage to ascertain the ownership of such investments shown in the books of accounts. It may however be noted that, the RP



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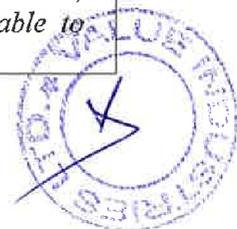
has already filed applications before NCLT under section 19 of IBC for the handing over of complete and accurate details/records with regards to the Investments of the Company. Due to insufficiency of data/records, we are unable to ascertain the consequential cumulative effects thereof on loss (including other comprehensive income for the year), assets and other equity.

As such, we are unable to determine whether any additional adjustments / disclosures are required on investments and trade receivables reported as at March 31, 2020.

- E) We have not been provided with any physical verification reports of inventories at the beginning and end of the year. Hence, we are unable to comment / confirm on the quantity and valuation of Inventories held as at quarter and year ended March 31, 2020 which are stated in the Statement of Assets and Liabilities at INR 249.88 million (2019: INR 305.82 million). As such, we are unable to determine whether any adjustments in accordance with Ind AS-2 "Inventories" are necessary in respect of recorded (or unrecorded) inventories and further cannot comment on the items which are obsolete, damaged and their proper reflection in the Financials Results.

Further, in the absence of physical verification and fair valuation of inventories, we are unable to comment or confirm on the correctness of the amount charged towards Cost of material Consumed during the year and the Changes in Inventories (in finished goods, work-in-progress and stock in trade) as disclosed in the Financial Results.

- F) The Company had carrying value of loan and advances aggregating to INR 2691.63 million (2019; INR 2690.18 million). Due to non-availability of relevant supporting documents/records, we are unable to assess the genuineness and recoverability of such loans and advances issued by the Company which form part of the opening balances as at 1st April, 2019.
- G) The company has not made any adjustment to Deferred Tax Asset/Liability for the year under consideration. Accordingly, Ind AS-12 "Income Tax" has not been followed by the Company. Resultant impact, if any, on the Financials Results is not ascertainable at this stage.
- H) We have been informed that the valuation towards employee benefit expenses is based on actuarial valuation report. Since the company is into CIRP, the assumptions considered and the resultant outcomes may change basis the outcome of CIRP. As such, we are unable to comment on impact, if any, on the Financial Results.
- I) As mentioned in Note No-8 to the Financial Results, pursuant to commencement of CIRP of the Company under Insolvency and Bankruptcy Code, 2016, there are various claims submitted by the financial creditors, operational creditors, employees and other creditors to the RP. The overall obligations and liabilities including interest on loans and the principal amount of loans shall be determined during the CIRP. Outcome of the CIRP process is still pending thus no accounting impact in the books of accounts has been made in respect of excess, short, or non-receipts of claims for financial creditors, operational creditors, employees and other creditor. Hence, consequential impact, if any, is currently not ascertainable and we are unable to comment on possible financial impacts of the same.

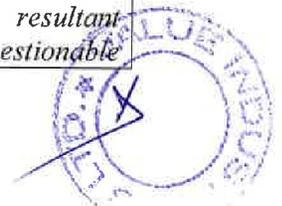


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*Further, the Company is contingently liable in respect of the borrowings of other Obligors/Borrowers to the extent of outstanding balance of Rupee Term Loans as on quarter and year ended March 31, 2020 of INR 210,123.87 million (As at March 31, 2019 INR 210,123.87 million). As such, consequential impact if any is currently unascertainable and we are unable on possible financial impact of the same. Further, since the commencement of CIRP, there is a Moratorium in terms of section 14 of the Code towards repayment of existing debts and interest thereon. However, pending the completion / final outcome of CIRP, the Company has continued to provide for the interest for full financial year, including the moratorium period. Payment towards such interest expenses are subject to the provisions of the Code and outcome of CIRP. We have not received supporting documents for such borrowings, including relevant sanction letters and other relevant documents. As such, we are unable to confirm whether the Borrowings of INR 10,515.56 million (2019: INR 9,452.61 million) as reported in the Statement of Assets and Liabilities provide an accurate status and whether the basis for interest charged in the Financial Results is in accordance with Ind AS-23 "Borrowing Cost".*

*We are also unable to comment on the completeness / exhaustiveness of the contingent liabilities considered by the Company and any impact that may be necessary on the Financial Results at this stage.*

- J) The company has not produced any documents/ information/ relating to Grant form ozone Project (having a carrying value of INR 16.39 million as at 31st March, 2020). As such, we are unable to ascertain impact of the same in financial statements at this stage.*
- K) During the conduct of audit, we have also been informed that the balance confirmations are not available in respect of the balances of loans and advances, trade receivables, trade payables, and other receivables and payables. As such, we are unable to ascertain impact on the Financial Results. However, in case of balance with banks, (INR 8.03 million), we have been provided most of the copies of bank statements (subject to their reconciliations).*
- L) According to the details made available to us and on the basis of filings made on the GST portal, the company has defaulted / made delayed filings pertaining to the annual compliances of Goods and Service Tax (GST) along with the compliances of Income Tax Act, as applicable during the year. As such, we are unable to comment upon the future liability and/or any other financial impact that may arise on the Company.*
- M) We also draw your attention to Note No-4 to the Financial Results. The Resolution Professional has filed applications with Hon'ble NCLT under section 19 of the Code seeking co-operation from promoters and erstwhile management of the company, for providing various data, primarily pertaining to pre-CIRP period and certain additional data that is required for preparing the financial statements of the Company and data requested by various investigating agencies. In the absence of relevant data, these Financial Results have been prepared on the basis of available data on best effort basis.*
- We also draw your attention to Note no-5 and 6 of the Financial Results, wherein it is mentioned that an independent Transaction Review Audit was conducted as required under section 43-66 of IBC for identification of Preferential, Undervalued, Extortionate, and Fraudulent transactions as defined and explained under IBC. The resultant observations from the Audit had indicated that there may be certain questionable*



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accounting entries and/or transactions entered into before commencement of CIRP. And further, there are ongoing investigations against Videocon Group Entities by different government agencies, including SFIO and Directorate of Enforcement. In this regard, we have not been provided any copy of notice/ report/information/documents on such Transaction Review Audit and ongoing investigations. Hence, we are unable to comment on necessary changes that may be required in the Financial Results at this stage.

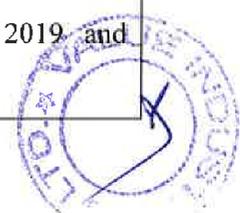
N) The Company has mentioned in Note 9 of the Financial Results that, considering the Company is being run as a going concern under CIRP, the Financial Results have been prepared on going concern basis. However, we found Material uncertainty relating to Going Concern assumption applied to the Financial Statements. The Company has been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016, there is considerable decline in level of operations of the Company, and net worth of the Company reported at INR (7,431.55) Million as on the reporting date is negative and it continues to incur losses. The Company is a co-obligor and has received demand notices in respect of borrowings of other co-obligors/borrowers. Thus, there exists a material uncertainty about the ability of the Company to continue as a "Going Concern". The same is dependent upon the resolution plan to be approved by NCLT. The appropriateness of the preparation of financial statements on going concern basis is critically dependent upon CIRP as specified in the Code. Necessary adjustments required on the carrying amount of assets and liabilities are not ascertainable.

On the basis of above at para (A) to (N) Above, we are unable to determine the adjustments that are necessary in respect of Company's assets, liabilities as on the quarter and year end date, income and expenses for the year, cash flow statement and related presentation and disclosures in Financial Results. So we disclaim to form any opinion on the Financial Results.

**b. Type of Audit Qualification : Disclaimer Opinion**

**c. Frequency of qualification: The Frequency of qualification, as stated above, in chronology is as under:**

- A) Qualified for the first time for the financial year ended on 31<sup>st</sup> March,2020.
- B) Qualified for the first time for the financial year ended on 31<sup>st</sup> March,2020.
- C) Partially Disclaimer of Opinion for the first time for the financial year ended on 31<sup>st</sup> March,2019.
- D) Partially Disclaimer of Opinion for the first time for the financial year ended on 31<sup>st</sup> March,2019.
- E) Partially Disclaimer of Opinion for the first time for the financial year ended on 31<sup>st</sup> March,2019.
- F) Qualified for the first time for the financial year ended on 31<sup>st</sup> March,2020.
- G) Qualified for the first time for the financial year ended on 31<sup>st</sup> March,2020.
- H) Qualified for the first time for the financial year ended on 31<sup>st</sup> March,2020.
- I) Partially Disclaimer of Opinion for the first time for the financial year ended on 31<sup>st</sup> March,2019.
- J) Qualified for the first time for the financial year ended on 31<sup>st</sup> March,2020.
- K) Disclaimer of Opinion for the first time for the financial year 31<sup>st</sup> March, 2019 and Emphasis in 31<sup>st</sup> March 2018.
- L) Qualified for the first time for the financial year ended on 31<sup>st</sup> March,2020.



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	<p>M) Qualified for the first time for the financial year ended on 31<sup>st</sup> March,2020.  N) Qualified for the first time for the financial year ended on 31<sup>st</sup> March,2018.</p>
	<p><b>C) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable</b></p>
	<p><b>D) For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p>
	<p><b>(i) Management's estimation on the impact of audit qualification: --</b></p>
	<p><b>(ii) If management is unable to estimate the impact, reasons for the same:</b></p> <p>The management is unable to estimate the impact on the following grounds:</p> <ul style="list-style-type: none"> <li>a) the Group Resources and the RP (including his team) have relied on the opening Balance Sheet and the balances reflected in available accounts / ledgers/ trial balance as on March 31, 2019, without going into the merits of such balances outstanding. No adjustments have been made to such accounts / balances except for giving effect to the transactions entered subsequently from April 1, 2019.</li> <li>b) since the Company is under CIRP and various Prospective Resolution Applicants ("PRAs") were conducting their independent due-diligence for submitting a resolution plan, it was material to ensure that any change in books of the Corporate Debtor on account of revaluation of assets, impairment assessment, ascertainment of Fair Market Value of assets etc. does not provide any indicative pricing on the assets of the Corporate Debtor to the PRAs. Thus, in the interest of value maximization under CIRP for all stakeholders, certain assets like property plant and equipment, unquoted investments, loan &amp; advances, inventories etc. have been recorded at their carrying values after relevant adjustments for actual transactions undertaken during the financial year. Also, no additional provision has been made on outstanding receivables.</li> <li>c) an independent Transaction Review Audit was conducted as required under section 43-66 of IBC for identification of Preferential, Undervalued, Extortionate, and Fraudulent transactions as defined and explained under the Code. The resultant observations from the Audit had indicated that there may be certain questionable accounting entries and/or transactions entered into before commencement of CIRP. In this regard, RP in compliance of his duties under the IBC has filed an application with NCLT to declare such transactions as void and be set aside. Adjustments, if any, for such transaction(s) may be made upon further directions from NCLT and/or upon any order being passed by NCLT.</li> </ul>



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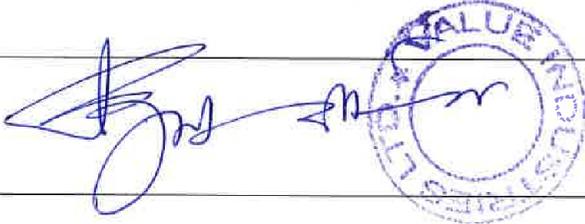
- d) there are ongoing investigations against Videocon Group Entities by different government agencies. The Resolution Professional has been fully supportive and cooperative in the investigation being carried out by the statutory investigative agencies, including SFIO and ED.
- e) the Resolution Professional has filed applications with Hon'ble NCLT under **section 19** of the Code seeking co-operation from promoters and erstwhile management of the Company, for providing various data, including those that are required for preparing Financial Statements and data requested by various investigating agencies. The requested data is still not made available to the Resolution Professional. Thus, in the absence of required relevant data, the Financial Statements have been prepared on the basis of available data on best effort basis.
- f) In light of the aforesaid reasons, confirmations and reconciliation of balances of certain trade receivables, trade and other payables and loans and advances could also not be obtained.
- g) Post assumption of office of the Resolution Professional, all payments are being approved only by the Resolution Professional (with requisite approval from the CoC, wherever required as per applicable provisions of the Code). The Company has established effective controls for monitoring CIRP period transactions undertaken post assumption of office of the Resolution Professional.
- h) Considering the Company is being run as a going concern under CIRP, the Financial Statements have been prepared on going concern basis.

Thus, owing to various financial and operational constraints including but not limited to non-cooperation from Erstwhile Directors/ management and promoters of the Company, non-availability of detailed books of accounts and various supporting documents and records for pre-CIRP period, resignation of past employees / consultants from accounts function, the preparation of Financial Statements of the Company has faced several limitations. The RP had taken necessary steps under the Code to seek the requisite data and had further filed application under Section 19 of the Code seeking requisite cooperation and data from promoters and Erstwhile Directors/ management of the Company, and the requisite data has still not been made available, and the proceedings before the Hon'ble NCLT against the Erstwhile Directors / management of the Company for seeking the necessary information and cooperation remains sub-judice.



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	<p><b>(iii) Auditors' Comments on (i) or (ii) above:</b></p> <p>In view of the factors stated by the management, the impact of the qualification cannot be estimated</p>
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<b>III. Signatories:</b>	
<ul style="list-style-type: none"> <li>Resolution Professional</li> </ul>	
<ul style="list-style-type: none"> <li>Audit Committee Chairman</li> </ul>	<p>The Company is not having any active director functioning as Audit Committee Chairman</p>
<ul style="list-style-type: none"> <li>Chief Financial Officer</li> </ul>	<p>The Company is not having Chief Financial Officer</p>
<ul style="list-style-type: none"> <li>Statutory Auditor</li> </ul>	<p><b>For KVA &amp; Company</b>  <b>Chartered Accountants</b>  <b>Firm's Registration No. 017771C</b></p>  <p><b>(Vimal Kishore Agrawal)</b>  <b>Partner</b>  <b>Membership No.510915</b></p>
Place	Delhi
Date	27 <sup>th</sup> April, 2023