VIDEOCON INDUSTRIES LIMITED

ANNUAL REPORT 2018-19

RESOLUTION PROFESSIONAL

Abhijit Guhathakurta

(IBBI/IPA-003/IP/N000103/2017-18/11158)

BOARD OF DIRECTORS

Venugopal N Dhoot	– Chairman, Managing Director and CEO
Subhash S Dayama	– Independent Director
Sarita Surve	– Independent Director

COMPANY SECRETARY

Samridhi Kumari

AUDITORS

M/s. S Z Deshmukh & Co.,
Chartered Accountants
Flat No. 306, Aastha II Apartment, Third Floor,
Opp: Population Science Centre, Deonar,
Mumbai – 400 088

REGISTERED OFFICE

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

MANUFACTURING FACILITY

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

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

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

BANKERS

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

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NOTICE TO MEMBERS

The Hon'ble National Company Law Tribunal, Mumbai Bench, ("**NCLT**"), had vide its order dated June 06, 2018 admitted the application for the initiation of the corporate insolvency resolution process ("**CIRP**") of Corporate Debtor ("**Admission Order**") in terms of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder, as amended from time to time ("**Code**"). Subsequently, the Hon'ble NCLT vide its order dated August 08, 2019 ("**Consolidation Order**") has ordered the consolidation of the CIRP of the 13 Videocon Group entities, including the Corporate Debtor, ("**Videocon Group Entities**"). Further, the NCLT vide an order dated September 25, 2019 has appointed Mr. Abhijit Guhathakurta as the resolution professional ("**Resolution Professional**") for the consolidated CIRP of the Videocon Group Entities including the Corporate Debtor ("**Appointment Order**"). The Appointment Order was published on September 27, 2019, on which date the Resolution Professional has taken over the management and affairs of the Videocon Group Entities. Pursuant to the publication of the Appointment Order and in accordance with the provisions of the Code, the powers of the Board of Directors of the Company stand suspended and the same have been vested with and are being exercised by the Resolution Professional.

NOTICE is hereby given that the **Twenty-Ninth** Annual General Meeting of the Members of **VIDEOCON INDUSTRIES LIMITED** (Company under Corporate Insolvency Resolution Process) will be held on Monday, 30th day of December, 2019, at the Registered Office of the Company at 14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka: Paithan, Dist.: Aurangabad -431 105 (Maharashtra) at 11.30 a.m. ("**AGM**") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the standalone and consolidated Audited Statement of Profit and Loss for the Financial Year ended 31st March, 2019 and the Balance Sheet as at that date together with the Cash Flow Statement and notes and annexures thereto; and the Reports of the Directors and Auditors thereon.

2. To consider the remuneration of the Statutory Auditors and in this regard, if thought fit, the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and on the recommendation of the Audit Committee of the Directors, the Company do hereby authorize the Directors to recommend to the Resolution Professional to finalise and fix the fees payable to M/s S. Z. Deshmukh & Co., Chartered Accountants, Mumbai (Firm Registration No. 102380W), who were appointed as Auditors of the Company to hold office from the conclusion of 27th Annual General Meeting until the conclusion of the 32nd Annual General Meeting.

   RESOLVED FURTHER THAT the Directors of the Company (including any Committee thereof) be and are hereby authorised to do all such acts, deeds and take all such steps as may be necessary, proper and expedient as required by the Resolution Professional to give effect to this Resolution."

SPECIAL BUSINESS

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

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), as amended from time to time, the Company hereby ratifies the remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand Only) excluding applicable Goods and Services Tax, reimbursement of travelling and other out of pocket expenses payable at actual to M/s. B. Sen & Co., Cost Accountants (Membership No. 6324),Aurangabad, who is appointed as the Cost Auditor of the Company, for conducting the audit of the cost records made and maintained by the Company pertaining to various products covered under cost audit for the financial year commencing on April 1, 2019 and ending on March 31, 2020.

   RESOLVED FURTHER THAT the Directors (including any Committee thereof) be and are hereby authorised to do all such acts, deeds and take all such steps as may be necessary, proper and expedient as required by the Resolution Professional to give effect to this Resolution."

4. To consider and ratify the remuneration of Cost Auditor for the financial year ended March 31, 2019 and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), as amended from time to time, the Company hereby ratifies the remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand Only) excluding applicable Goods and Services Tax, reimbursement of travelling and other out of pocket expenses payable at actual to M/s. B. Sen & Co. Cost Accountants (Membership No. 6324), Aurangabad, who were appointed as the Cost Auditor of the Company by the Directors, due to casual vacancy of the previous Cost Auditor for conducting the audit of the cost records made and maintained by the Company pertaining to various products covered under cost audit for the financial year ended March 31, 2019.

   RESOLVED FURTHER THAT the Directors (including any Committee thereof) be and are hereby authorised to do all such acts, deeds and take all such steps as may be necessary, proper and expedient as required by the Resolution Professional to give effect to this Resolution."

For VIDEOCON INDUSTRIES LIMITED
(A Company under Corporate
Insolvency Resolution Process
by NCLT order dated June 6, 2018
read with order dated August 8, 2019)

SAMRIDHI KUMARI
COMPANY SECRETARY
MEMBERSHIP NO.: A54714

Place: Mumbai
Date: 03rd December, 2019

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

NOTES

1. **IN TERMS OF THE PROVISIONS OF SECTION 105 OF THE COMPANIES ACT, 2013, READ WITH RULE 19 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING"/ "ANNUAL GENERAL MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON CAN BE A PROXY FOR MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% (TEN PERCENT) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. PROVIDED THAT A MEMBER HOLDING MORE THAN 10% (TEN PERCENT), OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. A PROXY FORM FOR THE MEETING IS ENCLOSED.**

2. In terms of Section 102 of the Companies Act, 2013 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India, a statement setting out the material facts concerning special business to be transacted at the Meeting is annexed and forms part of this Notice.

3. Copies of the Notice of 29th Annual General Meeting together with the Annual Report are being sent by Electronic mode to all the Members whose email addresses are registered with the Company/ Depository Participant(s) and for Members who have not registered their email addresses, physical copies of the Annual Report are being sent by the permitted mode, to those Members who hold shares in physical form and whose names appear in the Company's Register of Members on 3rd December, 2019 and as regards shares held in the electronic form, to those beneficial owners of the shares as at the close of business hours on 30th November, 2019 as per the particulars of beneficial owners furnished by National Securities Depository Limited ("**NSDL**") and Central Depository Services (India) Limited ("**CDSL**"). Upon request, printed copy of Annual Report will be supplied to those shareholders to whom Annual Report has been sent through Electronic Mode.

4. No directors are seeking re-appointment/appointment/confirmations, hence details under Regulation 26(5) and 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2, issued by the Institute of Company Secretaries of India in respect of Directors seeking re-appointment/appointment/confirmation is not applicable.

5. Corporate Members intending to send their authorized representative(s) to attend the Meeting in terms of Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board Resolution authorizing such representative(s) to attend and vote on their behalf at the Meeting.

6. For convenience of the Members and for proper conduct of the Meeting, entry to the place of Meeting will be regulated by attendance slip, which is annexed herewith. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue. The Company shall reserve all its rights to restrict non-members of the Company from attending the meeting.

7. In order to enable us to register your attendance at the venue of the Annual General Meeting, we request you to please bring your folio number/demat account number/DP ID-Client ID to enable us to give you a duly filled attendance slip for your signature and participation at the Meeting.

   The business set out in this Notice is also being conducted through remote e-voting. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company is pleased to offer the remote e-voting facility as an alternate to all its Members to enable them to cast their vote electronically instead of casting the vote at the Meeting. Please note that the Voting through Electronic Mode is optional. For this purpose the Company has entered into an arrangement with NSDL for facilitating e-voting to enable the shareholders to cast their votes electronically. The Company is also providing facility for voting by Ballot at the Annual General Meeting apart from providing remote e-voting facility for all those members who are present at the venue of the Annual General Meeting and have not cast their votes by availing the remote e-voting facility. The Members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

8. In case of joint holders attending the Meeting, and who have not exercised their right to vote by remote e-voting facility, only such joint holder who is higher in the order of names shall be entitled to vote.

9. The remote e-voting facility shall be opened from Friday, 27th December, 2019 at 9.00 a.m. to Sunday, 29th December, 2019 upto 5.00 p.m., both days inclusive. Detailed instructions of Voting through Electronic Mode, forms part of this Notice. The remote e-voting facility shall not be allowed beyond 5.00 p.m. on Sunday, 29th December, 2019. During the period when facility for remote e-voting is provided, the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/entitlement date, may opt for remote e-voting. Provided that once the vote on a resolution is casted by the member, he shall not be allowed to change it subsequently or cast the vote again.

10. The Notice of the Meeting is being placed on the website of the Company viz., www.videoconindustriesltd.com and on the website of NSDL viz., www.nsdl.co.in

11. Mr. Gaurav Dharmendra Varma, Company Secretary in Whole Time Practice (CP No. 22369), has been appointed as a Scrutinizer for conducting the voting by Ballot at the Meeting and remote e-voting process in a fair and transparent manner. Additionally, his willingness to be appointed for the said purpose has been received by the Company. It is hereby informed that in case of any event arising due to which Mr. Gaurav Dharmendra Verma is unable to act as the scrutinizer, the Board of Directors of the Company or the Resolution Professional shall appoint any other person as the scrutinizer.

12. The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, first count the votes cast by Ballot at the Meeting, thereafter unblock the votes cast through remote e-voting in the manner provided in the Companies (Management and Administration) Rules, 2014 and make, not later than 3 days of conclusion of the Meeting, consolidated Scrutinizer's Report of remote e-voting and voting by Ballot at the Meeting, of the total votes casted in favour or against, if any, to the Chairman of the Meeting or a person as may be authorized by him in writing shall declare the result of the voting forthwith and all the resolutions as mentioned in the Notice of the Meeting shall be deemed to be passed on the date of the Meeting. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.videoconindustriesltd.com and on the website of NSDL at www.nsdl.co.in, immediately after the results are declared by the Chairman or a person authorised by him in writing. The results shall also be submitted to Bombay Stock Exchange Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

13. The Company has fixed Monday, 23rd December, 2019 as the cut-off date/entitlement date for identifying the Shareholders for determining the eligibility to vote by electronic means or in the Meeting by Ballot. Instructions for exercising voting rights by remote e-voting are attached herewith and forms part of this Notice. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off/ entitlement date only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting.

14. The Voting Rights will be reckoned on the paid-up value of shares registered in the name of shareholders on Monday, 23rd December, 2019, the cut-off date/entitlement date for identifying the Shareholders for determining the eligibility to vote by electronic means or at the Meeting by Ballot.

15. Any person who becomes a member of the Company after the date of this Notice of the Meeting and holding shares as on the cut-off date i.e. 23rd Day of December, 2019 may obtain the User ID and Password by sending an email request to secretarial@videoconmail.com. Members may also call on +91 22 6611 3500 or send a request to The Company Secretary, by writing to her at Videocon Industries Limited at 171-C, 17th Floor, C Wing, Mittal Court, Nariman Point, Mumbai - 400 021.

16. The Register of Members and Share Transfer Books shall remain closed from Monday, 23rd December, 2019 to Monday, 30th December, 2019 (both days inclusive) for the purpose of the meeting.

17. In accordance with Section 125 of the Companies Act, 2013 and Rule 3 of Rules Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the dividend remaining unclaimed for a continuous period of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund ("**IEPF**"). Similarly, members are requested to note that all equity shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to demat account of the IEPF authority within a period of thirty days of such equity shares becoming due to be transferred to the IEPF.

    In the event of transfer of equity shares and the unclaimed dividends to IEPF, Members shall be entitled to claim the same from the IEPF authority by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5. Members can file only one consolidated claim in a financial year as per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

18. As per Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the securities of the listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this, the members of the Company who are holding shares in physical form are requested to consider converting their physical holdings into dematerialised form. The members can contact the Company or M/s. MCS Share Transfer Agent Limited, Registrar and Transfer Agent of the Company, for such conversion.

19. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or M/s. MCS Share Transfer Agent Limited, Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be:

    a) any change in the residential status on return to India for permanent settlement.

    b) particulars of the NRE account with a Bank in India, if not furnished earlier.

20. The relevant documents referred to in the accompanying notice are available for inspection at the Registered Office of the Company on all working days between 12.00 Noon to 4.00 p.m. up to the date of the Meeting.

21. The Annual Report of the Company will be made available on the Company's website at www.videoconindustriesltd.com.

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

23. As at the end of year (31st March, 2019), 1,03,683 equity shares held by 24,031 equity shareholders were unclaimed. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

    The Company has kept all the unclaimed shares under abeyance/stop and is in process of dematerialization/transfer of the said shares to Unclaimed Suspense Account – Shares. All those shareholders whose shares are unclaimed are required to contact the Company or M/s. MCS Share Transfer Agent Limited, Registrar and Transfer Agent of the Company with self-attested copy of PAN Card for each of the joint shareholder(s) and Address Proof. On receipt of the request letter and on verification form, the Company shall arrange to credit the shares lying in the Unclaimed Suspense Account to demat account of concern shareholder or deliver the share certificate(s) after re-materialising the same.

24. A route map to the venue of the meeting has been annexed at the end of this Annual Report.

25. In case of any queries regarding the Annual Report, Members may write to secretarial@videoconmail.com to receive an email response. Members desiring any information relating to the financial statements at the meeting are requested to write to us at least ten (10) days before the meeting to enable us to keep the information ready at the time of the meeting.

26. The Company made an application to the Registrar of Companies seeking approval for extension of time for holding Annual General Meeting under section 96(1) of the Companies Act, 2013 for the financial year ended March 31st, 2019. Keeping in view, the circumstances as mentioned for extension of time for the purpose of holding Annual General Meeting, Registrar of Companies has granted the extension of 2 months. The Company made a further application to Registrar of Companies seeking approval for extension of time for holding Annual General Meeting under section 96(1) of the Companies Act, 2013 by a further period of 1 month i.e., upto December 30, 2019. The said approval is still under process.

REMOTE E-VOTING INSTRUCTIONS

The instructions for shareholders voting electronically are as under:

The voting period begins on Friday, December 27, 2019 at 9:00 a.m. and ends on Sunday, December 29, 2019 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Monday, 23rd day of, December, 2019 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. **Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.**

2. **Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.**

3. **A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.**

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. **Your User ID details are given below :**

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, you can check the communication sent to your postal address for further instructions about obtaining password.

d) Member may obtain a User ID and password for casting his / her vote by remote e-voting by sending a request at evoting@nsdl.co.in by providing the details such as Demat account no or Folio no, PAN no, name, address etc.

6. **If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:**

a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to Mr. Gaurav Dharmendra Varma at gauravdvarma@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Any person who becomes a member of the Company after the date of this Notice of the Meeting and holding shares as on the cut-off date/ entitlement date i.e.,23rd Day of December, 2019 may obtain the Login ID and Password from Ms. Samridhi Kumari, Company Secretary of the Company, who is responsible to address the grievances connected with facility for voting by electronic means. In case you have any grievances connected with facility for voting by electronic means you may contact the Company Secretary by sending an e-mail to secretarial@videoconmail.com. Members may also call on +91 22 6611 3500 or send a request to the Company Secretary, by writing to her at The Company Secretary, Videocon Industries Limited at 171-C, 17th Floor, C Wing, Mittal Court, Nariman Point, Mumbai - 400 021.

For VIDEOCON INDUSTRIES LIMITED
(A Company under Corporate Insolvency Resolution Process by NCLT order dated June 6, 2018 read with order dated August 8, 2019)

SAMRIDHI KUMARI
COMPANY SECRETARY
MEMBERSHIP NO.: A54714

Place: Mumbai
Date: 03rd December, 2019

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

Item No. 3

The Resolution Professional, based on the recommendation of Audit Committee and Directors, has approved the appointment of M/s. B. Sen & Co. Cost Accountants (Membership No. 6324),Aurangabad, as the Cost Auditors of the Company to conduct the audit of the cost accounting records of the Company for the financial year commencing from April 1, 2019 to March 31, 2020 at a remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand Only) excluding applicable Goods and Services Tax, reimbursement of travelling and other out of pocket expenses at actual incurred by them in connection with the aforesaid audit of the Company.

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

Accordingly, consent of the members is sought by passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year commencing from April 1, 2019.

None of the Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution. The Directors recommend the Ordinary Resolution set out at Item No. 3 of the Notice for approval of the members.

Item No. 4

The members of the Company at the Annual General Meeting held on 17th December, 2018 ratified the remuneration payable to Mr. Jayant Galande. However, Mr. Jayant Galande resigned as the cost auditor of the Company. Subsequently, the said casual vacancy was filled by the CEO in terms of the authority delegated while appointment of cost auditor by appointment of M/s. B. Sen & Co. Cost Accountants (Membership No. 6324), Aurangabad, as the Cost Auditor of the Company to conduct the audit of the cost accounting records of the Company for the financial year commencing from April 1, 2018 to March 31, 2019 due to the casual vacancy of previous auditor i.e. Jayant B Galande at a remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand Only) excluding applicable Goods and Services Tax, reimbursement of travelling and other out of pocket expenses at actual.

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

Accordingly, consent of the members is sought by passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year April 1, 2018 to March 31, 2019.

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

For VIDEOCON INDUSTRIES LIMITED
(A Company under Corporate
Insolvency Resolution Process
by NCLT order dated June 6, 2018
read with order dated August 8, 2019)

SAMRIDHI KUMARI
COMPANY SECRETARY
MEMBERSHIP NO.: A54714

Place: Mumbai
Date: 03rd December, 2019

DIRECTORS' REPORT

Dear Shareholders,

The Hon'ble National Company Law Tribunal, Mumbai Bench, ("**NCLT'**)"), had vide its order dated June 06, 2018 admitted the application for the initiation of the corporate insolvency resolution process ("**CIRP**") of Videocon Industries Limited ("**Company**") ("**Admission Order**") in terms of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder, as amended from time to time ("**Code**"). Subsequently, the Hon'ble NCLT vide its order dated August 08, 2019 ("**Consolidation Order**") has ordered the consolidation of the CIRP of the 13 Videocon group entities, including the Company, ("**Videocon Group Entities**"). Further, the NCLT vide an order dated September 25, 2019 has appointed Mr. Abhijit Guhathakurta as the resolution professional for the consolidated CIRP of the Videocon Group Entities including the Company ("**Resolution Professional**") ("**Appointment Order**"). The Appointment Order was published on September 27, 2019, on which date the Resolution Professional has taken over the management and affairs of the Videocon Group Entities. Pursuant to the publication of the Appointment Order and in accordance with the provisions of the Code, the powers of the board of directors of the Company ("**Board of Directors**") stand suspended and the same have been vested with and are being exercised by the Resolution Professional.

Your Directors take pleasure in presenting the Twenty-Ninth Annual Report together with the Audited Accounts and Auditors' Report for the financial period ended on March 31, 2019.

PERFORMANCE REVIEW

The financial performance of the Company, on standalone basis, for the financial year ended on March 31, 2019 is summarized below:

(₹ in Million)

Particulars	Financial Year Ended March 31, 2019	Financial Year Ended March 31, 2018
Net Revenue from Operations	9,065.97	28,398.61
Other Income	1,560.16	5,840.46
Total Income	10,626.13	34,239.07
Profit/(Loss) Before Finance Costs, Depreciation and Tax	(26,109.99)	(21,943.08)
Finance Costs	37,749.00	28,310.02
Depreciation and Amortization	5,255.10	8,148.45
Profit /(Loss) Before Tax	(69,114.09)	(58,401.55)
Tax Expenses	(1,506.54)	(5,761.18)
Profit /(Loss) for the Previous Year	(67,607.55)	(52,640.37)

The revenue from operations for the year ended 31st March, 2019 stood at ₹ 9,065.97(₹ in Million) as compared to 28,398.61 (₹ in Million) for the previous year ending 31st March, 2018.

The loss before tax for the year ended 31st March, 2019 stood at ₹ 69,114.09 (₹ in Million) as compared to loss of ₹ 58,401.55 (₹ in Million) for the year ending 31st March, 2018. The Loss after Tax stood at ₹ 67,607.55 (₹ in Million) for the year ending 31st March, 2019 as compared to loss of ₹ 52,640.37 (₹ in Million) for the previous year.

INDIAN ACCOUNTING STANDARDS

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015 has issued Companies (Indian Accounting Standards) Rules, 2015. Accordingly, in compliance with the said Rules, the Standalone and Consolidated Financial Statements of the company for the Financial Year 2018-19 have been prepared as per Indian Accounting Standards.

OPERATIONS

- **CONSUMER ELECTRONICS & HOME APPLIANCES:**

  During the period under review, the Company faced various challenges in both external and internal environment. Consequent to commencement of CIRP under the Code, the sales were impacted drastically. Admission of Company into CIRP had a severe impact on the perceptions of the dealers/customers on account of uncertainty of the after sales services etc., forcing the Company to reduce the price drastically and/or offer additional discounts and incentives resulting in losses. There were persistent severe strains on the working capital and accordingly there was considerable decline in the level of operations of the company.

- **OIL & GAS:**

  The Company has established its presence in Oil and Gas business in India and Overseas, directly and through its subsidiaries/joint ventures. The interest in the domestic Ravva block is directly held by Videocon Industries Limited while the Participating Interest in the overseas oil and gas assets is held through subsidiaries/joint ventures.

  The original term of the Ravva product sharing contract was due to expire on October 27, 2019. After the balance sheet date, the production sharing contract was extended and, accordingly, the production sharing contract (PSC) is now valid effective 28th October, 2019, for the next 10 years. The extension will enable the joint venture partners to recover about 13 million barrels of oil equivalent (boe) of oil.

- **TELECOM:**

  The Company is currently having National Long Distance (NLD) and International Long Distance (ILD) licenses. The Company is providing connectivity to corporate clients under NLD License.

CHANGE IN THE NATURE OF BUSINESS

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

CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements under the Companies Act, 2013, and as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI (LODR)"**). A separate section on Corporate Governance under SEBI (LODR) along with a certificate from the auditors confirming the compliance, is marked as '**Annexure- 1**' and forms part of this Directors Report.

DIVIDEND

In view of the loss incurred by the Company, the Directors do not recommend any dividend for the financial period ended March 31, 2019.

TRANSFER TO RESERVES

The Company do not propose to transfer any amount to the General Reserves.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

As required under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Company was required to transfer the unclaimed dividend pertaining to the financial year 2009-10 of ₹ 11,12,475/-. However, in absence of clarity consequent to commencement of CIRP, the Company couldn't transfer the unclaimed dividend to the Investor Education and Protection Fund ("IEPF"). The Company is in the process of transferring the said amount to IEPF.

The Company has kept all the unclaimed shares under abeyance/ stop and in process of dematerialization/ transfer of the said shares to Unclaimed Suspense Account – Shares. As at the end of year (31st March, 2019), 1,03,683 equity shares held by 24,031 equity shareholders were unclaimed. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

ISSUES/ALLOTMENT

During the year under review, the Company has not issued/ allotted any Equity Shares. As on the end of financial year, Foreign Currency Convertible Bonds (Bonds) amounting to US$ 75.20 Million which are due on December 31, 2020, were outstanding.

DEPOSITS

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

MATERIAL CHANGES AND COMMITMENTS,IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY, OCCURED AFTER THE BALANCE SHEET DATE AND AS AT THE DATE OF SIGNING THIS REPORT

Except for the consolidation of the CIRP of the 13 Videocon Group Entities, there are no material changes and commitments affecting the financial position of the Company occurred after the Balance Sheet Date and as at the date of signing of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186 of the Companies Act, 2013 and Schedule V of the SEBI (LODR), disclosures relating to particulars of loans, guarantees given and investments made during the period is marked as '**Annexure- 2**' and forms part of this Directors Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS AS PER SECTION 188(1):

Pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the rules made there under and SEBI (LODR), all the related party transactions in the Company have been entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, etc., which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders.The details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Indian Accounting Standards (Ind AS). However, in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the Company is making disclosure of Related Party Transaction in Form AOC-2 which is marked as '**Annexure- 3**' and forms part of this Directors Report.

The Policy on Related Party Transactions has been approved by the Board and the same has been uploaded on the website of the Company at the following URL-http://www.videoconindustriesltd.com/Documents/Related%20Party%20Transaction%20Policy.pdf

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on March 31, 2019, your Company has 18 subsidiaries (including step down subsidiaries) namely, Electroworld Digital Solutions Limited (Formerly: Videocon International Electronics Limited), Jumbo Techno Services Private Limited, Pipavav Energy Private Limited, Prosperous Energy Private Limited, Senior Consulting Private Limited, Videocon Australia WA-388-P Limited, Videocon Brasil Petroleo Ltda., Videocon Easypay Private Limited (Formerly: Datacom Telecommunications Private Limited), Videocon Electronics (Shenzhen) Limited, Videocon Energy Brazil Limited, Videocon Energy Limited, Videocon Global Limited, Videocon Hydrocarbon Holdings Limited, Videocon Indonesia Nunukan Inc., Videocon JPDA 06-103 Limited, Videocon Mauritius Energy Limited, VOVL Limited (Formerly: Videocon Oil Ventures Limited) and Videocon Telecommunications Limited.

During the year, Middle East Appliances LLC (upto April 26, 2018), Videocon Brasil Ventures B.V. (upto December 27, 2018), Videocon Hydrocarbon Ventures B.V. (upto December 27, 2018), Videocon International Cööperatie U.A. (upto December 27, 2018) ceased to be the subsidiary of the Company.

The Joint Ventures of the Company are Videocon Infinity Infrastructures Private Limited and IBV Brasil Petroleo Limitada. The associate company of the Company as at the end of financial year is Radium Appliances Private Limited and VISPL LLP.

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing the details of the subsidiaries (including step down subsidiaries) /joint ventures/associate companies including the details of performance and financial positions of each of the subsidiaries/joint ventures/ associates are given in Form AOC-1 which is annexed to Financial Statement.

As per the provisions of the Companies Act, 2013, your Company has provided the Consolidated Financial Statements as on March 31, 2019. The Financial Statements of the subsidiaries/ joint ventures/ associate companies will also be available for inspection during the business hours at the Registered Office of your Company and the respective subsidiaries/ joint ventures/ associate companies.

The Annual Report of your Company does not contain full financial statements of the subsidiary companies. However, the Company shall make available the audited annual accounts and related information of the subsidiary companies, upon request by any Member of your Company and the same are displayed on the Company's website viz. www.videoconindustriesltd.com.

COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Company has framed policies that were duly approved by the Board on the recommendations of the Nomination and Remuneration Committee prior to commencement of CIRP relating to directors' appointment and remuneration including the criteria for determining qualifications, positive attributes and independence of directors. Such policies form part of the charter documents of the Company. The other details form part of the Corporate Governance Report.

EMPLOYEES REMUNERATION

Information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is marked as '**Annexure- 4A**' and forms part of this Directors Report.

A statement containing, inter alia, the names of top ten employees in terms of remuneration drawn and every employee employed throughout the financial year and in receipt of remuneration of ₹102 lakhs or more and, employees employed for part of the year and in receipt of remuneration of ₹ 8.50 lakhs or more per month, pursuant to Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is marked as '**Annexure- 4B**' and forms part of this Directors Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, for the year ended March 31, 2019 is marked as '**Annexure- 5**' and forms part of this Directors Report.

RISK MANAGEMENT POLICY OF THE COMPANY

The Company has put in place a mechanism to identify, assess, monitor and mitigate various risks associated with the business. In line with the regulatory requirements, the Company has in place the Risk Management Policy to identify the risk elements and manage, monitor and report on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company has proper confidentialities and privacy policies to control risk elements. The Company has wherever required, taken insurance policies to protect the property, assets etc.

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

Major risks identified were discussed at the meeting of the Board of Directors of the Company prior to commencement of CIRP.

CORPORATE SOCIAL RESPONSIBILITYPOLICY

Corporate Social Responsibility (CSR) has been a commitment at the Company and forms an integral part of our activities.

We are focusing on identifying and motivating the skills of the physically challenged youth and helping them to enhance them. This is based on the belief that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of society.

The Company has formed a CSR committee in terms of the provisions of Section 135 of the Companies Act, 2013 and Rules made there-under read along with Schedule VII of the Act. The scope and composition of the committee forms part of the Corporate Governance Report.

Further, the Company was not required to make any CSR expenditure during the Financial Year 2018-19 since the average net profit for the three immediately preceding financial years was negative.

HEALTH & SAFETY

Safety is an area of paramount importance in our Company. A well-defined occupational health and safety management system is in place to ensure the safety of employees, workforce as well as equipment and machinery. Our Company continues to exhibit a robust assurance towards Safety, Health and Environment during the period under review.

Apart from the health and safety measures to be adopted under various regulatory requirements, the following health & safety initiatives which were adopted in the past were continued to be under implementation in the year under review:

- Regular counseling and medical checkups to ensure fitness of its employees.
- Arrangements at manufacturing plants for ensuring safety and absence of risks to health in connection with the use, handling, storage and transport of articles and substances.
- Established a CCTV control room in respective shop floors areas for the close monitoring of safety and Emergency purpose.
- Fire extinguisher (Ball type) to attend immediate small fire in case of emergency.
- Fire Demonstration kit and training to all employees and workmen.
- Display of all Emergency Exit and Evacuation plan in auto glow board at shop floors.
- Installed safe loader instrument to EOT crane at Moulding division to avoid crane accident at shop floor area.
- Additional stopper provided in LOT crane to ensure crane will halt in specified location.
- Installation of LPG gas detector at paint shop in LPG gas bank area.
- Defined the fire points at high hazard area (Zone-0).
- Provision of Safety equipment's in campus such as PG gas detector, Road Convex mirror, Fire blanket, Fire Bucket, First aid box and Breathing Apparatus set.
- Strictly adhere to hot work permit system with availability of security guard for close monitoring.
- Adequate provision of Ambulance Van along with suitable medical accessories to reduce response time during emergency situation & human injury.
- Displayed cautionary signs at high hazardous area to warn workers about imminent hazard dealt at site.
- Enhance road safety – displayed road convex mirror, speed limit board and guidelines for visitors.
- Emergency evacuation plans with location of fire extinguisher are displayed at the entrance of the building.
- Visualization in the campus to access assembly point, first aid box &emergency exit door.
- Availability of well-equipped Occupational Health Center (OHC) in case of emergency.

ENVIRONMENTAL PROTECTION

Your Company has adopted various green initiatives from time to time in adherence to spirit enunciated under various policies and regulatory requirements for environmental protection. Your Company aims to carry out eco-friendly activities and strives to restrain the activities that result into the degradation of the environment.

The following are some of the initiatives which were adopted by the Company in the past and remain under implementation during the year under review:

- Usage of Effluent treatment Plant (ETP) & Sewage Treatment Plant (STP) and using treated water for gardening and flush.
- Ensuring that all washrooms are connected to STP.
- Installation of ETP for paint shop waste water treatment.
- Hazardous waste is sent to authorized parties for disposal.
- Established the Chemical Lab for Waste Water Testing purpose in campus as per Central Pollution Control Board norms.
- Regular Air & Water Monitoring as per (NAAQS - 2010) Standards.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

In line with requirement under Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR), your Company has established a whistle blower/vigil mechanism for its employees and Directors to report their genuine concerns. The same has been uploaded on the website of the Company and can be accessed at http://www.videoconindustriesltd.com/Documents/Whistle%20Blower%20policy.pdf

INFORMATION TECHNOLOGY

Your Company is fully focused on leveraging complete advantage of SAP system. We are using IT to the optimum benefits of our MIS users and decision makers. This whole exercise is helping us in bringing efficiency in our operations, building controls etc., Your Company understands the significance and impact of the digital revolution and has significantly progressed in this direction.

DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

As per provisions of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company respects and values diversity reflected in various backgrounds, experiences, and ideas and is committed towards providing a healthy environment. Keeping in view the same, the Company does not tolerate any discrimination and/or harassment in any form. The Company has in place an Internal Complaints Committee to inter-alia:

1) Prevent sexual harassment at the workplace; and
2) Redress the complaints in this regard.

The Company ensures that the process ensures complete anonymity and confidentiality of information to report any sexual harassment cases at workplace.

During the period under review, there were no complaints/cases filed/ pending with the Company during the year.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Your Company provides an orientation and business overview to its Independent Directors to enable them to gain deeper understanding of your Company, its operations, business, senior management, policies, industry perspective, etc. The Directors are updated on a continual basis on any significant change and important developments in the Company. The detail of the familiarization programme for independent directors can be accessed at the website of the Company at http://www.videoconindustriesltd.com/Documents/Familiarisation%20Program%20for%20independent%20directors.pdf

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

Mr. Radheyshyam Agarwal tendered his resignation from the office of Director of the Company, on personal grounds w.e.f. January 25, 2018. However, the Board of Directors have taken on record his resignation at their meeting held on June 5, 2018. The delay in taking on record was primarily on the ground that the Board of Directors was requesting him to re-consider his decision and continue the office of the Director. Further, Mr. Ashutosh Gune, the CFO of the Company resigned from the post of CFO on personal ground and, accordingly, ceased to be the CFO of the Company w.e.f. May 23, 2018.

Mr. Sanjiv Kumar Sachdev who had been co-opted as the Nominee Director of IDBI Bank Limited on the Board of the Company tendered his resignation on w.e.f. September 19, 2018 consequent to his withdrawal of nomination.

The Directors take this opportunity and place on record their sincere appreciation for the valuable guidance received from Mr. Radheyshyam Dalchand Agarwal and Mr. Sanjiv Kumar Sachdev during their tenure as the Director of the Company.

During the year under review, Mr. Mandar Chintaman Joshi, Company Secretary and Compliance Officer of the Company tendered his resignation on August 13, 2018. Consequently, Mr. Kaustubha Arun Sahasrabudhe (Membership No. ACS 21165) was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. August 13, 2018 in compliance with the provisions of Section 203 of the Companies Act, 2013. However, Mr. Kaustubha Arun Sahasrabudhe tendered his resignation as the Company Secretary and Compliance Officer of the Company w.e.f. March 15, 2019.

The members of the Company at an annual general meeting held on 17th December, 2018 had dissented the resolution for the appointment of Mr. V. N. Dhoot as Director of the Company, on account of majority of the Promoter(s), Promoter Group and Person Acting in Concert dissenting to the said resolution i.e voting against the resolution. However, the committee of creditors of the Company ("**Committee of Creditors**") has not yet approved the resultant change in the management of the Company as required in terms of the Section 28 of the Code, in light of the ongoing CIRP of the Company.

In view of dissent to resolution for appointment of Mr. V. N. Dhoot as Director, was not approved by the Committee of Creditors, the Company is not seeking the approval of members for the resolution relating to appointment of Mr. V. N. Dhoot as a director liable to retire by rotation in pursuance to the provisions of the Companies Act, 2013.

Changes after the Balance Sheet date:

In pursuance to the provisions of Section 203 of the Companies Act, 2013, the company appointed Ms. Samridhi Kumari (Membership No. 54714) as the Company Secretary of the Company with effect from April 1, 2019.

Further, Mr. Rajneesh Gupta was appointed as the Chief Financial Officer of the Company w.e.f April 2, 2019.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 and the provisions of SEBI (LODR) stating that they meet the criteria of independence as provided therein.

NUMBER OF MEETINGS OF THE BOARD HELD DURING THE PERIOD

During the financial period under review, the Board of Directors met two times. The details regarding the attendance and the date of Board Meetings are provided in the Corporate Governance Report.

COMMITTEES OF THE BOARD

Pursuant to the provisions of the Companies Act, 2013 and provisions of the Listing Regulations, the Company has constituted the following 7 (Seven) Committees to deal with specific areas / activities as a part of good governance practice:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee
6. Re-organization Committee
7. Finance and General Affairs Committee

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

The Company is under CIRP under the Code and therefore, the powers of board of directors stand suspended and are being exercised by the Resolution Professional in accordance with Sections 17 and 23 of the Code from the aforesaid date. Thus, no meetings of the Committees were held after the Commencement of CIRP w.e.f. June 6, 2018.

PERFORMANCE ANNUAL EVALUATION

In pursuance to Section 134 of the Companies Act, 2013, Rule 8 of the Companies (Accounts) Rules, 2014, and SEBI (LODR), the Nomination and Remuneration Committee adopted a formal mechanism for evaluating the performance of the Board of Directors as well as that of its Committees and individual Directors, including Chairman of the Board, Key Managerial Personnel/ Senior Management etc.

In the past, the exercise was carried out based on various parameters such as the composition of the Board, experience, competencies, contribution towards accurate financial reporting, strategic guidance, risk mitigation, internal controls, governance, leadership and talent development, managing external stakeholders, governance issues, etc.

Consequent to admission of the Company into CIRP, the performance annual evaluation was not carried out during the year.

LISTING

The equity shares of your Company are listed on the BSE Limited (Formerly: The Bombay Stock Exchange Limited) and The National Stock Exchange of India Limited (NSE). The Global Depository Receipts (GDRs) and Foreign Currency Convertible Bonds (FCCBs) issued by your Company are listed on the Bourse de Luxembourg and Singapore Exchange Securities Trading Limited respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is marked as '**Annexure- 6**' and forms part of this Directors Report which provides full details of the operational performance and business analysis of the Company.

CONSOLIDATED FINANCIAL STATEMENTS

As stipulated by Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards. The Audited Consolidated Financial Statements together with Auditors' Report form part of the Annual Report.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of the subsidiary, associates and joint venture companies will be kept for inspection by the shareholders at the Registered Office of the Company during working hours for a period of 21 days before the date of the Annual General Meeting. The Company shall provide the copy of the financial statements of its subsidiaries, associates and joint venture companies to the shareholders upon their request. The audited accounts are also available on the website of the Company viz. www.videoconindustriesltd.com

CASH FLOW STATEMENT

The Cash Flow Statement for the year ended March 31, 2019, in conformity with the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India, is annexed hereto.

AUDITORS AND THEIR REPORTS

1. STATUTORY AUDITORS AND AUDIT REPORT:

M/s S. Z. Deshmukh & Co., Chartered Accountants, Mumbai (Firm Registration No. 102380W) were appointed as the Statutory

Auditors of the Company to hold office for a term of 5 years from the conclusion of the 27th Annual General Meeting held on December 22, 2017 until the conclusion of the 32nd Annual General Meeting of the Company.

Pursuant to the Notification issued by the Ministry of Corporate Affairs on May 7, 2018, amending section 139 of the Companies Act, 2013, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting has been omitted. Accordingly, the Directors are not seeking approval of members by passing a resolution, for ratification of Auditors.

AUDIT REPORT:

The Statutory Auditors of the Company have submitted Auditors' Report, which have certain Qualifications on the Standalone and Consolidated Financial Statements for the period ended on March 31, 2019.

Management's Explanation to the Auditors' Qualifications:

Standalone:

a) The Company has made investments, given advances and has trade receivables aggregating to ₹ 181,386.43 Million in subsidiary/ group/affiliate companies, namely Electroworld Digital Solutions Limited, Videocon Telecommunications Limited, VOVL Limited, Value Industries Limited, Trend Electronics Limited, KAIL Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Sky Appliances Limited, Techno Electronics Limited, Century Appliances Limited, PE Electronics Limited, Techno Kart India Limited, Evans Fraser and Co. (India) Limited, CE India Limited and Planet M Retail Limited, which have been referred to NCLT under the Code by their lenders and subsquently been admitted into CIRP. The actual amount of loss on these investments, advances and trade receivables are not ascertainable till the completion of resolution process of these subsidiary/group/entities.

b) The manufacturing activity of Glass Shell division which manufactured panels and funnels used in Colour Picture Tube of Colour Television, has been suspended from July, 2017 due to poor demand. According to management, there are indication of impairment loss. However, the Company has not assessed or reviewed the plant and machinery and other fixed assets related to the Glass Shell division for impairment. In respect of other fixed assets, management has not carried out any assessment of impairment, and the impairment loss, if any, has not been ascertained.

c) The confirmations and reconciliation of balances of certain secured and unsecured loans, balances with banks, trade receivables, trade and other payables and loans and advances are pending. The management is in the process of obtaining confirmations and reconciliation of balances and ascertaining the impact of which is not ascertainable at present.

d) The Company had given 40,000 equity shares of Asian Electronics Limited, 7,000 equity shares of Lumax Industries Limited and 3,00,000 equity shares of Man Industries (India) Limited, shown in Non-Current Investments amounting to ₹ 32.69 Million as a security for the loans and advances taken from Nippon Investments & Finance Company Private Limited. These shares are not held by the Company in its own name. The Company is in the process of obtaining the confirmation of the outstanding balance of loans and advances of ₹ 15.00 Million from and the holding of shares by Nippon Investments & Finance Company Private Limited.

e) Pursuant to commencement of CIRP of the Company under the Code, there are various claims submitted by the financial creditors, operational creditors, employees and other creditors to the Resolution Professional. 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 operational and financial creditors.

f) During the year, the Company has entered into agreement in April, 2018 with Mr. Said Salehal Hinai, for sale of Middle East Appliances LLC, a subsidiary company for RO 50,000 (equivalent to ₹ 8.60 Million). Out of which RO 25,000 (equivalent to ₹ 4.30 Million) had been received and balance RO 25,000 (equivalent to ₹ 4.30 Million) are not yet received. Further, as per the Foreign Exchange Management Act, 1999, the said balance of RO 25,000 (equivalent to ₹ 4.30 Million) should have been received within 90 days. The Company is making efforts for recovering the same.

g) Material uncertainty relating to Going Concern:

The Company has been referred to NCLT under the Code as amended, and there are persistent severe strains on the working capital and there is considerable decline in level of operations of the Company and net worth of the Company as on the reporting date is negative and it continue to incur losses. Since the CIRP is currently in progress, as per the Code, it is required that the Company be managed as going concern during CIRP. Accordingly, the standalone financial statements are continued to be prepared on going concern basis. The Company continues the process for ascertaining the realisable value for its assets (including inventories and trade receivables) and necessary adjustments to the carrying value will be affected in due course, the impact of which is not ascertainable at this stage.

Management's Explanation to the Auditors' Qualifications:

Consolidated:

a) The Company and its 3 subsidiaries viz. VTL, EDSL and VOVL have made investments, given advances and have trade receivables aggregating to ₹ 124,215.69 Million in group/ affiliate companies, namely Value Industries Limited, Trend Electronics Limited, KAIL Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Sky Appliances Limited, Techno Electronics Limited, Century Appliances Limited, PE Electronics Limited, Techno Kart India Limited, Evans Fraser and Co. (India) Limited, CE India Limited, Planet M Retail Limited, Dome-Bell Electronics (India) Private Limited and Nippon Investments & Finance Company Private Limited which have been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 by their lenders and subsquently been admitted into Corporate Insolvency Resolution Process (CIRP). The actual amount of loss on these investments, advances and trade receivables are not ascertainable till the completion of resolution process of these group/affiliate entities.

b) The manufacturing activity of Glass Shell division which manufactured panels and funnels used in Colour Picture Tube of Colour Television, has been suspended from July, 2017 due to poor demand. According to management, there are indication of impairment loss. However, the Company has not assessed or reviewed the plant and machinery and other fixed assets related to the Glass Shell division for impairment. In respect of other fixed assets, management has not carried out any assessment of impairment, and the impairment loss, if any, has not been ascertained.

c) The confirmations and reconciliation of balances of certain secured and unsecured loans, balances with banks, trade receivables, trade and other payables and loans and advances are pending. The management is in the process of obtaining confirmations and reconciliation of balances and ascertaining the impact of which is not ascertainable at present.

d) The Company had given 40,000 equity shares of Asian Electronics Limited, 7,000 equity shares of Lumax Industries Limited and 300,000 equity shares of Man Industries (India) Limited, shown in Non-Current Investments amounting to ₹ 32.69 Million as a security for the loans and advances taken from Nippon Investments & Finance Company Private Limited. These shares are not held by the Company in its own name. The Company is in the process of obtaining the confirmation of the outstanding balance of loans and advances of ₹ 15.00 Million from and the holding of shares by Nippon Investments & Finance Company Private Limited

e) Pursuant to commencement of CIRP of the Company under the Code, there are various claims submitted by the financial creditors, operational creditors, employees and other creditors to the Resolution Professional. 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 operational and financial creditors.

f) During the year, the Company has entered into agreement in April, 2018 with Mr. Said Salehal Hinai, for sale of Middle East Appliances LLC, a subsidiary company for RO 50,000 (equivalent to ₹ 8.60 Million). Out of which RO 25,000 (equivalent to ₹ 4.30 Million) had been received and balance RO 25,000 (equivalent to ₹ 4.30 Million) are not yet received. Further, as per the Foreign Exchange Management Act, 1999, the said balance of RO 25,000 (equivalent to ₹ 4.30 Million) should have been received within 90 days. The Company is making efforts for recovering the same.

g) In respect of auditors of subsidiary VTL have given adverse opinion, the explanation of management is as under:

i. Consequent to VTL's agreement dated March 16, 2016 with Bharti Airtel Limited for trading the right to use 2x5 MHz spectrum allocated to it in the 6 circles, GSM Network Assets including Assets held for Sale of ₹ 8,077.70 Million has been shown under "Current Assets" as 'Disposal group-assets held for Sale'. VTL is in the process of ascertaining the impairment loss, if any, on its fixed assets including capital work-in-progress. The requisite accounting effect, if any, will be given upon such ascertainment/determination.

ii. VTL had given advances of ₹ 12,860.00 Million to Quadrant Televentures Limited (QTL) for the proposed acquisition of indefeasible Rights of Use (IRU) the UAS License of QTL in Punjab circle, subject to regulatory approvals. The same has been converted into Unsecured Zero Coupon Compulsory Convertible Debentures of face value ₹ 1000/- each (CCD) (Convertible into 2% Non-Cumulative, Non-Convertible, Redeemable Preference Shares). VTL is in process of ascertaining the fair value of Unsecured Zero Coupon Compulsory Convertible Debentures and its accounting impact, if any, will be given upon such fair valuation.

iii. VTL has not recognised the notional guarantee income as per Ind AS 109 for corporate guarantee given to ultimate holding company. The notional guarantee income is determined with reference to the guarantee commission which a third party would have charged in an arm's length arrangement.

iv. During the year, VTL has incurred a net loss of ₹ 5,915.29 Million resulting into accumulated losses of ₹ 72,937.87 Million as at March 31, 2019. VTL has also stopped its International Long Distance (ILD) Business. Though VTL has huge accumulated losses, its net worth as on March 31, 2019 is positive and the management of VTL is confident of continuing its commercial operations in the National Long Distance (NLD) Business. Accordingly, the financial statements of VTL have been prepared on a going concern basis.

h) The Department of Telecommunications (DoT) had raised demand notice to VTL for license fee, spectrum usage charges and electronic magnetic field (EMF) penalty from the financial year 2007-08 to financial year 2015-16 aggregating to ₹ 10,301.00 Million and the same are under reconciliation. No provision has been made for the same in the consolidated financial statements.

All the telecom operators had challenged the judgement of TDSAT on AGR matter before Hon'ble Supreme Court of India. That vide its judgement dated October 24, 2019, Hon'ble Supreme Court dismissed the telecom operators appeal in favour of DoT. Now DoT shall recalculate the demands and shall raise demands for payment of license fees based on AGR.

i) The subsidiary Videocon Mauritius Energy Limited (VMEL) holds investments of ₹ 17,719.54 Million classified as unquoted investments in equity instruments - financial assets, which have been recognised at cost, and have not been carried at fair value. The financial statement for the period have not been audited. However, the auditors of VMEL for the previous year have given disclaimer of opinion as it has not been possible to estimate the financial effects of not carrying these investments at fair value.

j) Material uncertainty relating to Going Concern:

The Company and its 3 subsidiaries namely VTL, EDSL and VOVL have been referred to NCLT under the Codeas amended, and there are persistent severe strains on the working capital and there is considerable decline in level of operations of the Company and net worth of the Company as on the reporting date is negative and it continue to incur losses.. Further, VOVL and its subsidiaries and the joint venture are in exploration/appraisal stage and have spent significant amounts on acquisitions, explorations and evaluation costs and have liabilities on this account. Since Corporate Insolvency Resolution Process (CIRP) is currently in progress, as per the Code, it is required that the Company be managed as going concern during CIRP. Accordingly, the consolidated financial statements are continued to be prepared on going concern basis. The Company continues the process for ascertaining the realisable value for its assets (including inventories and trade receivables) and necessary adjustments to the carrying value will be effected in due course, the impact of which is not ascertainable at this stage.

2. COST AUDITOR AND COST AUDIT REPORT:

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014 and amendments made thereto; from time to time, the Directors of the Company have accorded its approval for appointment of B. Sen & Co. Cost Accountants (Membership No. 6324), Aurangabad, which was taken on record by the Resolution Professional, as the Cost Auditors of the Company, to conduct audit of Cost Accounting Records maintained by the Company for the financial year commencing from April 1, 2019 to March 31, 2020 in respect of the products covered as below:

1. Electricals or Electronic Machinery
2. Other Machinery and Mechanical Appliances
3. Petroleum Products

In compliance with the provisions, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company. Accordingly, consent of the Members is sought by way of an Ordinary Resolution for ratification of the remuneration amounting to ₹ 75,000/- (Rupees Seventy Five Thousand Only) plus applicable tax and out of pocket expenses payable to the Cost Auditor for the financial year commencing from April 1, 2019 to March 31, 2020.

Pursuant to the provisions of the Companies Act, 2013 read with Rule 6 (3A) of the Companies (Cost Records and Audit) Rules, 2014, the Company approved the appointment of B. Sen & Co. Cost Accountants (Membership No. 6324), Aurangabad, as the Cost Auditor of the Company to conduct the audit of the cost accounting records of the Company for the financial year commencing from April 1, 2018 to March 31, 2019 due to the casual vacancy of previous auditor i.e. Jayant B Galande at a remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand Only) excluding applicable Goods and Services Tax, reimbursement of travelling and other out of pocket expenses at actual. In terms of the provisions of Section 148(3) of the

Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as fixed by the Directors of the Company on the recommendation of the Audit Committee, which was taken on record by the Resolution Professional, and the same shall be subsequently ratified by the shareholders of the Company at a general body meeting.

In compliance with provisions of the Companies (Cost Records and Audit) Rules, 2014 and amendments made thereto; from time to time and General Circulars thereof, we hereby submit that the Company has not yet filed the Cost Audit Report for the financial year ended on March 31, 2018 and March 31, 2019. The delay in filing the cost audit report for March 31, 2018 was on account of technical difficulties. The delay in filing the cost audit report for March 31, 2019 was on account of non-availability of required data in timely manner for completion of cost audit and consequently non-updation of the prescribed cost records pursuant to the Companies (Cost Records and Audit)Rules, 2014, as amended and prescribe by the Central Government under section 148(1) of the Companies Act, 2013 due to resignation of the qualified and experienced staff handling the said activity and various practical difficulties. The Company has now updated the cost audit records and is in the process of getting the requisite cost audit completed through the Cost Auditor B Sen & Co., Cost Accountants (Membership No. 6324), Aurangabad. Once the cost audit is completed, the cost audit report shall be placed before the Directors/Resolution Professional for approval/taking on record the same.

3. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

Section 204 of the Companies Act, 2013 inter-alia requires every listed company to annex to its Board's Report, a secretarial audit report given by a Company Secretary in practice, in the prescribed form.

The Resolution Professional based on the recommendation of the Chief Executive Officer and Company Secretary of the Company, in compliance with Section 204 of the Act, appointed Mrs. Gayathri R Girish, Company Secretary in Whole- time Practice, (CP No.: 9255) to carry out the Secretarial Audit for the financial period ended on March 31, 2019. The Report of the Secretarial Audit in Form MR-3 for the financial year ended March 31, 2019 is marked as '**Annexure- 7**' and forms part of this Directors Report and consists of the observations stated by the Secretarial Auditor.

In respect of observations raised by the Secretarial Auditor, the explanation of the management is as under:

- The non-filing of e-forms MGT 14, CRA 2, CRA 4, DIR-12 and others were on account of technical issues.
- The Company couldn't transfer (I) the unpaid/unclaimed dividend to IEPF, declared at the 22nd Annual General Meeting held on 29th June, 2011; (ii) the shares in respect of which dividend is unclaimed or unpaid for than 7 years and which were due for transfer to IEPF due to lack of clarity consequent to commencement of CIRP.
- The non filing of statement of unpaid and unclaimed amount to IEPF Authority was on account of non-receipt of information from the RTA due to non-payment.
- Chief financial officer of the Company has been appointed after the financial year under review.
- The inadequate disclosure in the Report of the Board of Directors cannot be made good, however, abundant precaution is taken in the current years Report of the Board of Directors.
- The delay in filing of E Form AOC 4 XBRL, MGT 7 was on account of technical difficulty and procedural issues.
- The delay in compliance and/or non-compliance of the provisions of Regulations 13(3), 33(3), 47(3), 31, 29, intimation of cessation of the KMP, 34(1), 27(2), giving prior intimation and outcome in respect of certain meetings of Committee of Creditors, submission of Reconciliation of Share Capital Audit, intimation of commencement of CIRP under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were on account of technical difficulties, volumnious activities under CIRP, lack of resources inter-alia including qualified staff having resigned pre-post CIRP.
- In terms of the Code, the outstanding dues pertaining to pre-CIRP period are to be filed as claims and will be treated as per the provisions of IBC and accordingly payment is not made even though the same is pertaining to Listing Fees.
- Non filing of returns under FEMA were on account of technical issues and accidental omissions.
- In respect of observation related to disqualification of directors, the Directors submit that the put option clause mentioned in the FCCB contract was incorporated under duress and accordingly no amount has yet become due and payable and the Company had filed claim challenging the action of the bondholders. Thus, according to the Company, directors are not disqualified as the matter is subjudice.
- In view of inadequacy of profits at the subsidiary level and in order to ensure that subsidiaries remain a going concern, the holding company need to financially support its subsidiary at all times and accordingly the Company has not charged interest on the loans granted to subsidiaries.
- The Company couldn't maintained the prescribed cost auditor records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under section 148(1) of the Companies Act, 2013 due to resignation of the qualified and experienced staff handling the said activity and on account of various practical difficulties.
- The other observations or adverse remarks are self-explanatory

DETAILS OF FRAUDS REPORTED BY AUDITORS (OTHER THAN REPORTABLE TO CENTRAL GOVERNMENT)

No fraud/misconduct was detected at the time of statutory audit by Auditors of the Company for the financial year ended on March 31, 2019.

INTERNAL FINANCIAL CONTROLS, INTERNAL AUDIT AND OTHER INITIATIVES

The Company has adequate systems of internal financial controls in place with reference to financial statements, which is commensurate with its size and the nature of its operations. The Independent Auditor have identified certain material weaknesses in the operating effectiveness of Company's financial controls. The Company is strengthening internal controls.

The Company has, in compliance with the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of Companies (Accounts) Rule 2014, has in place in-house internal audit team led by in house internal auditor to carry out the periodic audits of internal records based on the plan approved by the audit committee and brought out any deviations to internal control procedures maintained by the Company.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company and shall be made available to the members on request.

ORDERS PASSED BY REGULATORS/COURTS/ TRIBUNALS

Except for commencement of CIRP under the Code, no material orders were passed by Regulators/ Courts / Tribunals during the period impacting the going concern status and Company's operations in future.

DIRECTOR RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the Company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMPLIANCE WITH THE SECRETARIAL STANDARDS

Your Directors confirm that the Secretarial Standards issued by the Institute of Companies Secretaries of India, as applicable to the Company, have been duly complied with.

ACKNOWLEDGEMENT

Your directors take this opportunity to express its sincere appreciation and gratitude to the Customers, Vendors, Investors, Financial Institutions, Bankers, Business Partners and Government Authorities for their consistent support and encouragement to the Company. We also appreciate the contribution made by the employees at all levels for their hard work, dedication, co-operation, commitment and support for the growth of the Company.

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

For VIDEOCON INDUSTRIES LIMITED

V. N. DHOOT
CHAIRMAN, MANAGING DIRECTOR AND CEO
DIN:00092450

Place: Mumbai
Date: 03rd December 2019

Annexure - 1

CORPORATE GOVERNANCE REPORT

The Company is undergoing CIRP under the provisions of the Code, in terms of order dated 6th June, 2018 passed by Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") ("Admission Order").Mr. Anuj Jain (IP Registration No. IBBI/IPA-001/IP-P00142/2017-18/10306) had been appointed as an interim resolution professional under the provisions of Code vide the Admission Order. As per Section 17 of the Code, the powers of the Board of Directors of the Company stand suspended and the same have been vested with Mr. Anuj Jain as the interim resolution professional. Subsequently, the committee of creditors of the Corporate Debtor, which was formed pursuant to the provisions of the Code, appointed Mr. Anuj Jain as resolution professional in terms of the provisions of the Code.

Subsequently, the NCLT, vide its Order dated 8th August, 2019 ("Consolidation Order"), ordered the consolidation of the CIRP of 13 Videocon group entities as more particularly set out in the Consolidation Order, including the Corporate Debtor (collectively referred to as the "Corporate Debtors"), and appointed Mr. Mahender Khandelwal as the resolution professional of the Corporate Debtors (hereinafter referred to as the "Erstwhile Resolution Professional").

After the Consolidation Order, the first meeting of the consolidated committee of creditors of the Corporate Debtors ("CoC") was held on 16th September, 2019. In the voting conducted during and pursuant to the said meeting, the CoC voted, with the requisite majority required under the Code, for the replacement of the Erstwhile Resolution Professional with Mr. Abhijit Guhathakurta (IBBI Registration No. IBBI/IPA-003/IP/N000103/2017-18/11158) as the resolution professional for the 13 Videocon group entities (including Videocon Industries Limited) on a consolidated basis ("Resolution Professional"). Accordingly, the NCLT vide its order dated 25th September, 2019 (published on 27th September, 2019) approved the replacement of the Erstwhile Resolution Professional with Mr. Abhijit Guhathakurta as the resolution professional of the Corporate Debtors ("Resolution Professional") for the consolidated CIRP of the Corporate Debtors ("Order of Replacement"). A copy of the Order of Replacement was made available on 27th September, 2019 when the same was uploaded on the website of the NCLT. Pursuant to the publication of the Order of Replacement on 27th September, 2019, and in accordance with the provisions of the Code, the powers of the Board of Directors of the Company stand suspended and the same have been vested with and are being exercised by the Resolution Professional.

The Directors present the Videocon Industries Limited's ("Company") Report on Corporate Governance for the year ended 31st March, 2019

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to make continuous efforts to adopt and adhere to the best practices of Corporate Governance. Our philosophy on Corporate Governance sets the goal of achieving the highest level of transparency, accountability, fairness and equity in all spheres of its business activities, operations and in all its dealing with the shareholders, employees, the government and other parties while complying with the applicable laws.

Your Company strives to ensure compliance with the various corporate governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"/ "SEBI (LODR)").

In terms of Regulation 34(3) read with Section C of Schedule V to Listing Regulations, a Report on Corporate Governance for the year ended 31st March, 2019 is presented below. Your Company is in substantial compliance with the requirements and disclosures as stated therein. A certificate from the Statutory Auditors of the Company confirming compliance of the Corporate Governance is appended to the Report on Corporate Governance.

BOARD OF DIRECTORS

The board of directors of the Company ("Board of Directors"/ "Board") comprises of eminent persons having versatile experience in diversified fields including Finance, Management, Technical, Administration etc.

- **Composition and Category of Board as on 31st March, 2019:**

The Board of Directors of the Company comprises of Executive and Non-Executive Directors. The Chairman is an Executive Director. The Company is in compliance with the requirements of Section 149(1) of the Companies Act, 2013 in relation with appointment of women director on the Board of the Company.

Mr. Venugopal N Dhoot, CEO and Managing Director, who is responsible for the day to day operations of the Company holds 89,575 equity shares in your Company. None of the other Directors hold equity shares in your Company. There is no relationship between the Directors inter-se.

The members of the Company at an annual general meeting held on 17th December, 2018 had dissented the resolution for the appointment of Mr. Venugopal N Dhoot as director of the Company, on account of majority of the Promoter(s), Promoter Group and person acting in concert dissenting to the said resolution i.e voting against the resolution. However, the committee of creditors of the Company ("Committee of Creditors") has not yet approved the resultant change in the management of the Company as required in terms of the Section 28 of the Insolvency and Bankruptcy Code, 2016 ("Code"), in light of the ongoing corporate insolvency resolution process ("CIRP") of the Company.

In view of dissent to resolution for appointment of Mr. V. N. Dhoot as Director, was not approved by the Committee of Creditors, the Company is not seeking the approval of members for the resolution relating to appointment of Mr. V. N. Dhoot as a director liable to retire by rotation in pursuance to the provisions of the Companies Act, 2013.

As on 31st March, 2019, the composition of the Board of Directors of the Company meets the stipulated requirements of Regulation 17 of Listing Regulations as well as Section 149 of the Companies Act, 2013. The composition of the Board of directors during the period ended 31st March, 2019 is stated below:

Promoter Executive	:	Mr. Venugopal N Dhoot
Non-Executive, Independent	:	Mr. Subhash S Dayama Mrs. Sarita S Surve

In all, there were 3 Directors, including 2 Independent Directors as on 31st March, 2019. Mr. Radheyshyam Dalchand Agarwal has tendered his resignation as a Director of the Company w.e.f. 25th January, 2018. However, the same was taken on record by the Board of Directors on 5th June, 2018 as the Board continued to request him to re-consider his decision.

Mr. Radheyshyam Dalchand Agarwal has resigned from the office of the Director due to personal reasons and there is no other material reason. The Company has not obtained confirmation as required under Schedule V, C(2), (j) as the said provision became effective on 1st April, 2019 much after resignation of Mr. Radheyshyam Dalchand Agarwal.

During the period under review, Mr. Sanjiv Kumar Sachdev (Nominee of IDBI Bank Limited) has tendered his resignation from the office of Director w.e.f 19th September, 2018.

None of the Directors hold chairmanship on the Board of any other Public Companies in which they are directors. Further, none of the Directors are Directors in any listed entity.

Further, none of the non-executive directors holds any shares or convertible instruments in the Company.

- **Number of other Boards or Board Committees in which a director is a member or chairperson:**

Name of the Director	Directorships	Committee Positions	
		Chairman	Member
Mr. Venugopal N. Dhoot	1	2	2
Mr. Subhash S. Dayama	1	3	3
Mrs. Sarita Surve	1	0	6
Mr. Sanjiv Kumar Sachdev (upto 19.09.2018)	-	-	-

- Directorship held by Directors does not include any alternate directorships, directorships in Foreign Companies, directorships in Companies incorporated under Section 8 of the Companies Act, 2013 and Private Limited Companies.

- Committee chairmanship and membership is taken into account of only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies, as per Regulation 18 and 20 of SEBI Regulations.

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

In terms of the provisions of Section 173 of the Companies Act, 2013, every company shall hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.

The Company is under CIRP under the Code and therefore, the powers of board of directors stand suspended and are being exercised by the Resolution Professional in accordance with Sections 17 and 23 of the Code from the aforesaid date. Thus, no meetings of the Directors were held after the Commencement of CIRP w.e.f. June 6, 2018.

During the year under review, the Board met 2 times on 23rd May, 2018 and 05th June, 2018 .

Details of attendance of the Directors at the Board Meetings during the year 2018-19 is provided below:

Name of the Director	No. of Board Meetings attended	Attendance at the last Annual General Meeting held on 17th December, 2018*
Mr. Venugopal N. Dhoot	2	No
Mr. Subhash S Dayama	2	No
Mr. Sanjeev Kumar Sachdev (Nominee Director) (upto 19.09.2018)	0	No
Mrs. Sarita Surve	2	No

*Since no Director of the Company was present at the annual general meeting, the members present at the meeting elected one amongst themselves to be the Chairman on show of hands.

In terms of the applicable provisions, the Chairman of Audit Committee, the Chairman of Stakeholders' Committee and the Chairman of the Nomination & Remuneration Committee are required to attend the annual general meeting of the company. However, as per the provisions of Code and provisions of Regulation 15 (2A) and (2B) of SEBI (LODR) as amended from time to time, the provisions specified in Regulations 17, 18,19, 20 and 21, shall not be applicable during the corporate insolvency resolution process. The provisions as specified in said regulations of the SEBI (LODR) shall not be applicable during the insolvency resolution process period and the roles and responsibilities of the board of directors and the committees, specified in the respective regulations, shall be fulfilled by the interim resolution professional or resolution professional of the Company as required under the Code.

The Directors have core skills/expertise/competencies in the context of the business(es) and sector(s) for it to function effectively. However, considering that the powers of the Board are suspended, the chart/matrix has no relevance.

Independent Directors Meeting

One separate meeting of the Independent Directors was held on 23.05.2018, which was attended by all the Independent Directors.

- **Board Procedure:**

Pursuant to the provisions of the Code, the powers of the Board of Directors of the Company stand suspended and the same stands vested with and are being exercised by the Resolution Professional. Nonetheless, the Board had followed the Board Procedure till commencement of CIRP.

a) Background

The Company has well defined guidelines and procedures for meetings of the Board of Directors and Committees thereof.

b) Scheduling and Selection of the Agenda items

The Agenda of the Meeting is finalized by the Chairman and Managing Director of the Company. Once the Agenda was approved by the Chairman and Managing Director, the Company Secretary of the Company circulates the agenda of the meeting along with all the supporting documents to all the directors entitled to receive the same, to facilitate meaningful and quality discussions at the time of the meeting. The notices and agenda along with supporting documents are circulated well in advance unless meetings are called at shorter notice.

c) Information placed before the Board Members

The information generally placed before the Board members inter-alia included:

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly/Annual results of the Company and its operating divisions or business segments;
- Minutes of the meetings of Audit Committee and other Committees of the Board;
- Notice of Disclosure of Interest;
- The information on recruitment and remuneration of senior offices just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Material important litigations, show cause, demand, prosecution notices and penalty notices, if any and status updates;
- Sale of material nature of investments, subsidiaries and assets, which are not in the normal course of business;
- Establishment, operations and set up of Joint Venture, Subsidiary or Collaboration etc.,
- Investment/Divestment of Joint Ventures, Subsidiaries;
- Acquisitions/Amalgamation/Re-organisation of business segments etc;
- Compliance Reports;
- Minutes of the Board Meetings, Annual General Meetings of Subsidiary Companies and significant transactions if any;
- Related Party Transactions;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;

- Significant labour problems and their proposed solutions. Also any significant development in Human Resource and Industrial Relations;
- Quarterly details of foreign exchange exposure and the steps taken by the management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc;
- Any issue, which involves possible public or product liability claims of substantial nature including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the Company; and
- Any other materially relevant information.

d) Recording Minutes of the Proceedings

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

e) Follow up Mechanism

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

f) Compliance

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

g) Code of Conduct

The Board has laid down a code of conduct for all directors and senior management of the Company ("Code of Conduct") and has placed such Code of Conduct before the resolution professional of the company, which has been posted on the website of the Company i.e. www.videoconindustriesltd.com. All directors and senior management personnel have affirmed compliance with the code for the year ended 31st March, 2019. A declaration to this effect signed by the Chairman and Managing Director is annexed to this Report.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors of the Company have set up various Committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each of the Committee is guided by well-defined scope, powers and composition of the Committee. All decisions and recommendations of the Committees, till commencement of CIRP, were placed before the Board either for information or approval. Following are the details of the Committees as on 31st March, 2019:

1. AUDIT COMMITTEE:

The Board has constituted an Audit Committee with all the members being Non-Executive; having majority of Independent Directors. Post the resignation of Mr. Radheyshyam Dalchand Agarwal and in absence of the designated Chairman, the members of the Audit Committee elected Mr. Subhash Dayama as the Chairman. They possess sound knowledge and are financially literate persons having vast experience in the area of finance, accounts and industry.

Composition as on 31st March, 2019:

The composition of the Audit Committee of the Board of Directors as on 31st March, 2019, was as under:

Name	Designation	Category
Mr. Subhash Dayama	Member	Independent
Mrs. Sarita Surve	Member	Independent

Consequent to resignation of Mr. Radheyshyam Dalchand Agarwal from the Board of Directors of the Company and acceptance of his resignation by the Board of Directors at its meeting held on 5th June, 2018, he has ceased to be the member of the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders' Relationship Committee and other non-mandatory committees. Thus, there was a need to reconstitute these committees and, accordingly, certain committees were reconstituted and the Board of Directors deferred reconstitution of certain committees pending broadening of the Board of Directors. However, the subsequent reconstitution couldn't happen as the Company was admitted to CIRP w.e.f. 6th June, 2018.

However, as per the provisions of the Code and provisions of Regulation 15 (2A) and (2B) of the SEBI (LODR) as amended from time to time, the provisions specified in regulation related to Audit Committee, shall not be applicable during the corporate insolvency resolution process. The provisions as specified in said regulations of the SEBI (LODR) shall not be applicable during the corporate insolvency resolution process period and the roles and responsibilities of the board of directors and the committees, specified in the respective regulations, shall be fulfilled by the interim resolution professional or resolution professional of the Company.

Meetings and Attendance:

During the year under review, two meetings of the committee were held on 23rd May, 2018 and 05th June, 2018.

Attendance:

Name	Meetings Attended
Mr. Subhash Dayama	2
Mrs. Sarita Surve	2

The Statutory Auditors attended and participated in the meetings, on invitation. The Company Secretary was the de-facto Secretary of the Committee.

Terms of reference and Scope of the Committee:

The Audit Committee acts on the terms of reference stipulated by the Board, pursuantW to Section 177 of the Companies Act, 2013 and Part C of Schedule II to Regulation 18(3) of the Listing Regulations. The following are the terms of reference and scope of the Audit Committee:

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

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

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

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (c) of Sub- Section (3) of Section 134 of the Companies Act, 2013.
- Changes, if any, in accounting policies and practices, and reasons for the same.
- Major accounting entries involving estimates based on exercise of judgment by management.
- Modified opinion(s) in the draft audit report.
- Significant adjustments made in the financial statements arising out of audit findings.
- The going concern assumption.
- Compliance with accounting standards.
- Qualification in the draft audit report, if any.

- Compliance with Listing and other legal requirements concerning financial statements.
- Disclosure of any related party transactions i.e., transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large.

d) Reviewing with the management, the quarterly financial results before submission to the Board for approval.

e) Reviewing, with the management, the statement of utilization/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.

f) Reviewing, with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems.

g) Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.

h) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

i) Discussion with internal auditors regarding any significant findings and follow up thereon.

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

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

l) Approval or any subsequent modification of transactions of the Company with related parties.

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

n) Scrutiny of inter-corporate loans and investments.

o) Valuation of undertakings or assets of the Company, wherever it is necessary.

p) Evaluation of internal financial controls and risk management systems.

q) Financial Statements and Investments made by Subsidiaries.

r) To review the functioning of Whistle Blower Mechanism.

s) Approval of appointment of CFO (i.e. whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate.

t) Carrying out any other function which is mentioned in the terms of reference of the Audit Committee.

u) Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiaries exceeding rupees 100 crore or 10% of the asset size of the subsidiaries, whichever is lower which includes existing loans, advances or investments.

The Committee also reviews:

- Management discussion and analysis of financial conditions and results of operations.
- Statement of significant related party transactions, if any submitted by the management.
- Management Letters/Letters of internal control weaknesses issued by the Statutory Auditors.
- Internal Audit Reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Statement of deviations:

  a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.

  b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the Listing Regulations.

The Audit Committee is also vested with the following powers to achieve its objectives:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Whistle Blower Policy & Vigil Mechanism

The Section 177 of the Companies Act, 2013, read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI Regulations require all the listed companies to institutionalize the vigil mechanism and Whistle Blower Policy. Accordingly, the Board has adopted Whistle Blower Policy to promote reporting of any unethical or improper practice or violation of the Company's Code of Conduct or complaints regarding its accounting, auditing, internal controls or disclosure practices. It gives a platform to the whistle blower to report any unethical or improper practice (not necessarily violation of law) and to define processes for receiving and investigating complaints. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. More details are available on website http://www.videoconindustriesltd.com/PolicieChar.aspx

2. NOMINATION AND REMUNERATION COMMITTEE:

The purpose of the Nomination and Remuneration Committee includes determining the qualifications of the Independent Directors and recommending to the Board of Directors, a policy relating to the remuneration of the Directors and Key Managerial Personnel etc.

In pursuance to Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors. The committee comprised of three members initially. However, consequent to resignation of Mr. Radheyshyam Dalchand Agarwal from the Board of Directors of the Company and acceptance of his resignation by the Board of Directors at its meeting held on 5th June, 2018, he has ceased to be the member of the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders' Relationship Committee and other non-mandatory committees. Thus, there was a need to reconstitute these committees and, accordingly, certain committees were reconstituted and the Board of Directors deferred reconstitution of certain committees pending broadening of the Board of Directors. However, the subsequent reconstitution couldn't happen as the Company was admitted to CIRP w.e.f. 6th June, 2018.

As per the provisions of Code and provisions of Regulation 15 (2A) and (2B) of the SEBI (LODR), as amended from time to time, the provisions specified in Regulations 17, 18, 19, 20 and 21, shall not be applicable during the corporate insolvency resolution process. The provisions as specified in the said regulations of the SEBI (LODR) shall not be applicable during the corporate insolvency resolution process period and the roles and responsibilities of the board of directors and the committees, specified in the respective regulations, shall be fulfilled by the interim resolution professional or resolution professional.

Composition of the Committee as on 31st March, 2019:

The composition of the Nomination and Remuneration Committee of the Board of Directors as on 31st March, 2019, was as under:

Name	Designation	Category
Mr. Subhash Dayama	Chairman	Independent
Mrs. Sarita Surve	Member	Independent

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

Meetings and attendance:

During the financial year under review, one meeting of the Committee was held on 23rd May, 2018.

Name	Meetings Attended
Mr. Subhash Dayama	1
Mrs. Sarita Surve	1

Terms of reference and Scope of the Committee:

The terms of reference and scope of the Committee inter-alia, includes the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of the director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of performance of independent directors and the board of directors.
- Devising the policy on diversity of the board of directors.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- Whether to extend or continue the term of appointment of independent director on the basis of the report of performance evaluation of independent directors.
- Fixing & Reviewing the remuneration of the Chief Executives and other senior officers of the Company;
- Recommending the remuneration including the perquisite package of key management personnel;
- Determining the remuneration policy of the Company;
- Recommending to the Board retirement benefits;
- Reviewing the performance of employees and their compensation; and
- Attending to any other responsibility as may be entrusted by the Board.

Remuneration Policy:

The Independent Directors are paid remuneration by way of commission and sitting fees. The Company has formulated the remuneration policy. The details of this policy are available on the Company's website viz. www.videoconindustriesltd.com.

Performance Evaluation Criteria for Independent Directors:

The evaluation of the performance of the Board of Directors as well as that of its committees and individual directors including chairman of the board, key managerial personnel/senior management etc., was not carried out during the year as the Company was admitted to CIRP on 6th June, 2018.

Familiarisation Program for Independent Directors:

Your Company has initiated a familiarisation program wherein the Independent Directors are updated on a continual basis of any important changes taking place in the Company.

The details of the familiarisation program areavailable on the Company's website viz. http://www.videoconindustriesltd.com/Documents/Familiarisation%20Program%20for%20independent%20directors.pdf

Director's Remuneration:

(a) The Promoter Director is not paid any sitting fees. Mr. Venugopal N. Dhoot, Chairman and Managing Director is not entitled for remuneration as per his terms of appointment.

(b) The Independent Directors are paid only sitting fees for attending Board/Committee Meetings. However, Directors were not paid sitting fees, even though they were entitled, upto the commencement of CIRP. Further, as the Directors have not lodged their claim in terms of the provisions of Insolvency and Bankruptcy Code, 2016, the sitting fees paid/payable to Directors has been shown as NIL

Stock Options:

The Company has not issued any Stock Options.

3. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

As per the provisions of Code and provisions of Regulation 15 (2A) and (2B) of SEBI (LODR) as amended from time to time, the provisions specified in Regulations 20 (Stakeholders' Relationship Committee), shall not be applicable during the insolvency resolution process. Nonetheless, the Company is furnishing the requisite details pertaining to Stakeholders' Relationship Committee in terms of Schedule V of the SEBI (LODR).

In accordance with Section 178 of the Companies Act, 2013, a Stakeholders' Relationship Committee is to be constituted in order to consider and resolve the grievances of the equity shareholders of the Company. The said Committee approves the transfer/transmission of shares as and when required from time to time.

Composition as on 31st March, 2019:

The composition of the Stakeholders' Relationship Committee of the Board of Directors as on 31st March, 2019, was as under:

Name	Designation	Category
Mr. Subhash S Dayama	Chairman	Independent
Mrs. Sarita Sanjay Surve (w.e.f. 05th June, 2018)	Member	Independent
Mr. Venugopal N. Dhoot	Member	Executive

During the year under review, the Stakeholders' Relationship Committee was reconstituted due to resignation of Mr. Radheyshyam Dalchand Agarwal w.e.f. 05th June, 2018 from the office of the Board of Directors of the Company. Mrs. Sarita Sanjay Surve was co-opted as the member of Stakeholders' Relationship Committee in place of Mr. Radheyshyam D Agarwal.

Meetings and Attendance:

During the year under review, two meetings of the committees were held on 23th May, 2018 and 05th June, 2018.

Name	Meetings Attended
Mr. Subhash Dayama	2
Mrs. Sarita Sanjay Surve (w.e.f. 05th June, 2018)	0
Mr. Venugopal N. Dhoot	2

Compliance Officer:

Mr. Kaustubha Sahashrabudhe was the Compliance Officer upto 15th March, 2019.

Ms. Samridhi Kumari, Company Secretary of the Company, is the Compliance Officer with effect from 01st April, 2019. As authorized by the Resolution Professional pursuant to the CIRP and in accordance with the LOA dated 01st April, 2019, the Company Secretary is required to assist the Resolution Professional in compliance of Companies Act, 2013 or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 unless the compliance of any regulations under the aforesaid regulations and laws are otherwise exempted under the Code.

The Company Secretary is required to intimate the Resolution Professional regarding any letter or notices received by her from any regulatory authority regarding any non-compliance and co-ordinate and assist the Resolution Professional's team in formulating appropriate response to such notice or letters received from regulatory authorities.

Terms of reference and Scope of the Committee:

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

Scope of the Committee:

- Transfer/Transmission of shares;
- Issue of Duplicate Share Certificates;
- Change of Status;
- Change of name;
- Transposition of shares;
- Sub-division of shares;
- Issue and Allotment of securities;
- Consolidation of Folios;
- Requests for Dematerialization/Rematerialization of shares;
- Redressal of investor grievances;
- Non-receipt of annual report;
- Non-receipt of declared dividends;
- General meetings;
- Reviewing of measures taken for effective exercise of voting rights by shareholders;
- Reviewing of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Reviewing of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends; and
- Ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the company.

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

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

Share Transfer Details:

The number of Shares transferred during the year under review:

Sr. No.	Particulars	Equity
a)	Number of Transfers	279
b)	Average No. of Transfers per Month	23.75
c)	Number of Shares Transferred	4,521

Demat/Remat of Shares:

Sr. No.	Particulars	Equity
a)	Number of Demat Requests approved	2,522
b)	Number of Sub-committee Meetings held	40
c)	Number of Shares Dematerialized	34,638
d)	Percentage of Shares Dematerialized	0.01
e)	Number of Rematerialization Requests approved	8
f)	Number of Shares Rematerialized	1,552

Details of complaints received and redressed during the year ended 31st March, 2019:

During the year under review, the pending complaints at the beginning of the year were 5. The Company received 153 complaints during the year under review. 154 were redressed to the satisfaction of the shareholders. However, there are 4 pending complaints in respect of which the Registrar has sent interim responses to the Investors.

4. RISK MANAGEMENT COMMITTEE:

As per the provisions of Code and provisions of Regulation 15 (2A) and (2B) of SEBI (LODR) as amended from time to time, the provisions specified in Regulations 21 (Risk Management Committee), shall not be applicable during the insolvency resolution process. Nonetheless, the Company is furnishing the requisite details pertaining to Risk Management Committee in terms of Schedule V of the SEBI (LODR).

Pursuant to Regulation 21 of SEBI (LODR) as amended from time to time, the Company has constituted the Risk Management Committee to monitor and review the risk management plan. Framework of the Risk Management includes: Risk Identification, Risk Assessment, Risk Measurement, Risk Mitigation and Monitoring, Risk Treatment and Risk Reporting.

The Company has in place a comprehensive policy on risk management for assessment of risk and minimizes their adverse impact on the activities of the Company. The same is displayed on the Company's website viz. www.videoconindustriesltd.com

Composition of the Committee:

The composition of the Committee as on 31st March, 2019, was as under:

Name	Designation	Category
Mr. Subhash S Dayama	Chairman	Independent
Mrs. Sarita S Surve	Member	Independent
Mr. Venugopal N. Dhoot	Member	Executive

During the year under review, the Risk Management Committee was reconstituted as under due to resignation of Mr. Radheyshyam Dalchand Agarwal w.e.f. 05th June, 2018 from the office of the Board of Directors of the Company. Mrs. Sarita Surve was co-opted as the member of Risk Management Committee in place of Mr. Radheyshyam D Agarwal.

Meeting and Attendance

During the year under review, one meetings of the committees were held on 05.06.2018.

Name	Meetings Attended
Mr. Subhash Dayama	1
Mrs. Sarita Sanjay Surve (w.e.f. 05th June, 2018)	0
Mr. Venugopal N. Dhoot	1

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):

Composition of the Committee:

The constitution of the CSR Committee is in conformity with the requirements of Section 135 of the Act, which comprises of three Directors with atleast one Independent Director.

The Composition of the Committee as on 31st March, 2019 was as under:

Name	Designation	Category
Mr. Venugopal N. Dhoot	Chairman	Promoter, Executive
Mr. Subhash S Dayama	Member	Independent
Mrs. Sarita Sanjay Surve (from 05th June, 2018)	Member	Independent

During the year under review, the CSR Committee was reconstituted due to resignation of Mr. Radheyshyam Dalchand Agarwal w.e.f. 05th June, 2018from the office of the Board of Directors of the Company. Mrs. Sarita Sanjay Surve was co-opted as the member of CSR Committee in place of Mr. Radheyshyam D Agarwal w.e.f. 05th June, 2018.

Terms of Reference of the Committee:

The CSR Committee has adopted a policy that outlines the Company's Objective of catalyzing economic development and improving the quality of life for the Society and protection of the environment, communities and stakeholders. The Terms of Reference of the Committee are to:-

1. Formulate and recommend to the Board the CSR Policy and its review from time-to-time.
2. Recommend the amount of expenditure to be incurred on the CSR activities.
3. Ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
4. Ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

Meeting and Attendance

During the year under review, one meeting of the committee was held on 05.06.2018.

Name	Meetings Attended
Mr. Venugopal N. Dhoot	1
Mr. Subhash S Dayama	1
Mrs. Sarita Sanjay Surve	1

6. FINANCE AND GENERAL AFFAIRS COMMITTEE:

Composition as on 31st March, 2019:

The composition of the Finance and General Affairs Committee of the Board of Directors as on 31st March, 2019, was as under:

Name	Designation	Category
Mr. Venugopal N. Dhoot	Chairman	Promoter-Executive
Mrs. Sarita Sanjay Surve (from 05th June, 2018)	Member	Independent
Mr. Subhash S. Dayama	Member	Independent

During the year under review, the Finance and General Affairs Committee was reconstituted as under due to resignation of Mr. Radheyshyam Dalchand Agarwal from the office of the Board of Directors of the Company. Mrs. Sarita Sanjay Surve was co-opted as the member of Finance and General Affairs Committee in place of Mr. Radheyshyam D Agarwal w.e.f. 05th June, 2018.

The Company Secretary was the de-facto Secretary of the Committee.

Meeting and Attendance:

During the financial year under review, the Committee met one time on 05th April, 2018 and was attended by Mr. Venugopal N Dhoot and Mr. Subhash S. Dayama.

Terms of reference and Scope of the Committee:

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

7. RE-ORGANIZATION COMMITTEE:

Composition as on 31st March, 2019:

The composition of the Re-Organization Committee of the Board of Directors as on 31st March, 2019, was as under:

Name	Designation	Category
Mr. Venugopal N. Dhoot	Chairman	Promoter-Executive
Mrs. Sarita Sanjay Surve (from 05th June, 2018)	Member	Independent

During the year under review, the Re-Organization Committee was reconstituted due to resignation of Mr. Radheyshyam Dalchand Agarwal w.e.f. 05th June, .2018 from the office of the Board of Directors of the Company. Mrs. Sarita Sanjay Surve was co-opted as the member of Re-Organization Committee in place of Mr. Radheyshyam D Agarwal w.e.f. 05th June, 2018.

Meeting and Attendance-

During the financial year under review, no meetings were held.

Terms of reference:

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

GENERAL BODY MEETINGS

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

AGM	Date	Location	Time	Special Resolution Passed
26th	27th June, 2016	14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad-431 105	11.30 am	1 (One)
27th	22nd December, 2017	14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad-431 105	11.00 am	1 (One)
28th	17th December, 2018	14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad-431 105	11.30 am	1 (One)

➢ **Postal Ballot**

No special resolution was passed through postal ballot during the financial year under review.

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

➢ **Extra-Ordinary General Meeting**

No Extraordinary General Meeting was held during the year under reference.

MEANS OF COMMUNICATION

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

In terms of the requirements of the Listing Regulations, the reports, statements, documents, filings and any other information is electronically submitted to the recognized stock exchanges, through www.listing.bseindia.com and www.connect2nse.com; unless there are any technical difficulties while filing the same.

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

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

GENERAL SHAREHOLDER INFORMATION

➢ **ANNUAL GENERAL MEETING:**

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

Day	Monday
Date	30th December, 2019
Time	11:30 am
Venue	At the Registered Office: 14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka: Paithan Dist.: Aurangabad - 431 105 (Maharashtra)

➢ **FINANCIAL CALENDER FOR THE YEAR ENDED 31ST MARCH, 2020:**

The financial calendar (tentative) shall be as under:

Financial Year	1st April, 2019 to 31st March, 2020
First Quarterly Results	In terms of provisions of SEBI(LODR) the First Quarterly results were required to be disseminated to Stock Exchange on or before 14th August, 2019. However, due to diverse reasons the company couldn't publish the same and in terms of the provisions of the SEBI (LODR), the reason for delay of the same was also submitted to Stock Exchange.
Second Quarterly Results	In terms of provisions of SEBI(LODR) the Second Quarterly results were required to be disseminated to Stock Exchange on or before 14th November, 2019. However, due to diverse reasons the company couldn't publish the same and in terms of the provisions of the SEBI (LODR), the reason for delay of the same was also submitted to Stock Exchange.
Third Quarterly Results	On or before 14th February, 2020
Fourth Quarterly Results	On or before 30th May, 2020
Annual General Meeting for year ending 31st March, 2020	On or before 30th September, 2020

➢ **DATE OF BOOK CLOSURE:**

The date of Book Closure for the purpose of Annual General Meeting shall be from Monday, 23rd December, 2019 to Monday 30th December, 2019 .

➢ **LISTING ON STOCK EXCHANGES AND STOCK CODE:**

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

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

Global Depository Receipts of the Company are listed on:
Bourse de Luxembourg, 35, Boulevard Joseph II, 1840, Luxembourg
Web: www.bourse.lu

Foreign Currency Convertible Bonds of the Company are listed on:
Singapore Exchange Securities Trading Limited, 2, Shenten Way, #19-00, SGX Centre 1, Singapore 068804
Web: www.sgx.com

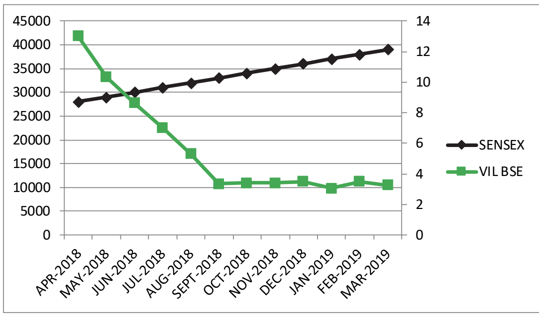
The Company has not paid listing fees for the year 2018-19 to both the Stock Exchanges and the Custodial Fees for the year 2018-19 to National Securities Depository Limited and Central Depository Services (India) Limited.

➢ **MARKET PRICE DATA:**

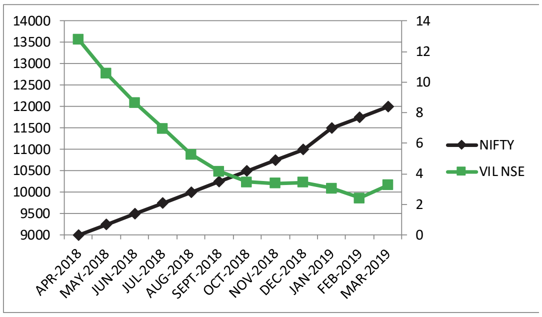
Average monthly high and Low prices at BSE and NSE are given below:.

Month	BSE		NSE	
	High	Low	High	Low
April-18	15.80	10.16	15.40	10.20
May-18	11.65	9.00	11.65	9.50
June-18	10.45	6.84	10.35	6.95
July-18	8.25	5.78	8.15	5.80
August-18	6.33	4.29	6.20	4.35
September-18	5.00	3.32	4.85	3.50
October-18	4.20	2.59	4.25	2.70
November-18	3.85	2.96	3.80	2.95
December-18	4.00	2.97	3.95	2.95
January-19	3.38	2.72	3.35	2.75
February-19	3.04	1.95	2.90	1.95
March-19	3.83	2.70	3.75	2.80

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



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



➢ **REGISTRAR AND SHARE TRANSFER AGENT:**

MCS Share Transfer Agent Limited
A-209, C Wing, 2nd floor Gokul Industries Estate Building,
Sagbaug, Marol Co-op Industrial Area,
B/H Times Square,
Andheri East, Mumbai- 400059.
Tel. 022-40206022-25
Fax 022-40206021
E-mail: mcssta.mumbai@gmail.com

➢ **SHARE TRANSFER SYSTEM:**

In accordance with the proviso to Regulation 40(1) of the Listing Regulations, effective from April 1, 2019, transfers (except for transmission and transposition) of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions.

The Company submits a half-yearly certificate of compliance with the share transfer formalities from a Practicing Company Secretary and simultaneously files a copy of the said certificate with the Stock Exchanges as required under Regulation 40 (10) of the Listing Regulations.

➢ **DISTRIBUTION OF SHAREHOLDING:**

A) Shareholding Pattern as on 31st March, 2019:

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	38	13,60,43,184	40.68
(2)	Foreign	-	-	-
	Sub-Total (A)	38	13,60,43,184	40.68
(B)	Public Shareholding			
(1)	Institutions	96	2,19,96,235	6.58
(2)	Non-Institutions			
	-Bodies Corporate	1374	1,31,91,780	3.94
	-Individuals	3,27,797	10,60,03,489	31.69
	-Others	3720	5,72,24,187	17.11
	Sub-Total (B)	**3,32,987**	**19,84,15,691**	**59.32**
	TOTAL (A) + (B)	**3,33,025**	**334,458,875**	**100.00**
(C)	Shares held by Custodians and against which depository Receipt have been issued			
(1)	Promoter and Promoter Group			
(2)	Public	-	-	-
	Sub-total (C)	**-**	**-**	**-**
	GRAND TOTAL (A) + (B) + (C)	**3,33,025**	**3,34,458,875**	**100.00**

B) Distribution of Shareholding as on 31st March, 2019:

Shareholding of Nominal Value	Number of Shareholders	% to the total number of shareholders	No. of Shares	Amount in ₹	% to Total value of Capital
Up to 5,000	308,715	92.7	10,769,561	107,695,610	3.22
5,001 to 10,000	9,778	2.94	8,368,809	83,688,090	2.50
10,001 to 20,000	5,959	1.79	9,436,965	94,369,650	2.82
20,001 to 30,000	2,422	0.73	6,335,687	63,356,870	1.89
30,001 to 40,000	1,237	0.37	4,525,430	45,254,300	1.35
40,001 to 50,000	1,214	0.36	5,813,680	58,136,800	1.74
50,001 to 100,000	1,959	0.59	14,855,841	148,558,410	4.44
100,001 and above	1,741	0.52	274,352,902	2,743,529,020	82.03
Total	**333,025**	**100**	**334,458,875**	**3,344,588,750**	**100.00**

➢ **DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

The Company's Equity Shares are under compulsory demat trading by all categories of investors. As on 31st March, 2019, 332,806,079 Equity Shares have been dematerialized which account for 99.51% of the total equity.

➢ **OUTSTANDING GDRs/ ADRs/WARRANTS OR CONVERSION INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ONEQUITY (31st March, 2019):**

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

Sr. No.	Particulars	FCCB
1	Principal Value of the FCCBs issued	USD 97,200,000
2	Principal Value of FCCBs converted into equity till 31st March, 2019	-
3	Underlying equity shares issued pursuant to conversion of FCCBs as referred S. No. 2	-
4	Principal Value of FCCBs outstanding at the end of the period i.e. as on 31st March, 2019	USD 75,200,000
5	Underlying equity shares which may be issued upon conversion of FCCBs as referred in S. No. 4 hereinabove.	36,917,348

➢ **WARRANTS:**

There were no warrants issued during the year under review.

• **PLANT LOCATIONS:**

The Company has manufacturing facilities at the following locations:

1. 14 K.M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, Dist.: Aurangabad - 431 105, Maharashtra.

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

3. Vigyan Nagar, Industrial Area, Opp. RIICO office, Shahjahanpur, Dist.: Alwar-301 706, Rajasthan

• **ADDRESS FOR CORRESPONDENCE:**
Videocon Industries Limited
14 K.M. Stone, Aurangabad-Paithan Road,Village: Chittegaon, Taluka: Paithan, Dist.: Aurangabad-431 105, Maharashtra
Tel: 02431-663933 (Secretarial Dept.) Tel: 02431-251501
Fax: 02431-251551 Email: secretarial@videoconmail.com

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

MCS Share Transfer Agent Limited
A-209, C Wing, 2nd floor Gokul Industries Estate Building,
Sagbaug, Marol Co-op Industrial Area,
B/H Times Square,
Andheri East, Mumbai- 400059.
Tel. 022-40206022-25
Fax 022-40206021
E-mail: mcssta.mumbai@gmail.com

➢ **LIST OF CREDIT RATINGS OBTAINED BY THE COMPANY :** Nil

DISCLOSURES

➢ Materially significant related party transactions i.e. the transactions of the Company of material nature with its promoters, directors/ management,subsidiaries/relatives etc. that may have potential conflict with the interests of the Company at large.

There are no transactions which may have potential conflicts with the interests of the Company at large. Transactions with related parties are disclosed in note no.46 of standalone financial statement(s) of the Annual Report - Related Party Disclosures.

➢ **Non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

The Company has defaulted/delayed in making submission of certain quarterly compliances including financial results. As a result, stock exchange(s) have levied penalties on the Company. On certain occasions, the Company has replied to the stock exchange(s) requesting to take lenient view considering that the Company in under CIRP.

➢ **Details of Establishment of Vigil Mechanism, Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee.**

The Company has implemented Vigil Mechanism and Whistle Blower Policy for reporting illegal or unethical behavior. The employees and directors are free to report violations of laws, rules, regulations or unethical conduct.

It is hereby affirmed that no personnel have been denied access to the Audit Committee. It is also ensured that the confidentiality of such reporting is strictly maintained and that Whistleblowers are not subjected to any discriminatory practice.

➢ **Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.**

The status of compliance with discretionary recommendations of the Regulation 27 of the Listing Regulations with Stock Exchanges inter-alia is provided below:

a. Shareholders' Rights: As the quarterly and half yearly financial performance along with significant events are published in the newspapers the same are not being sent to the shareholders.

b. Modified Opinion in Auditors Report: The Company's Financial Statements for the year ended 31st March, 2019 does not contain any modified audit opinion.

c. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

➢ **Weblink where the policy for determining material subsidiary and related party transactions is disclosed.**

The policy on material subsidiary and related party transactions is disclosed on the Company's weblink viz. http://www.videoconindustriesltd.com/PolicieChar.aspx

➢ **Disclosure with respect to Demat Suspense Account/Unclaimed Suspense Account**

As at the beginning of the year, 1,03,756 equity shares held by 24,038 equity shareholders were unclaimed. During the year, 7 shareholders approached the Company for transfer of 73 equity shares and, accordingly, the Company transferred/released 73 equity shares to claimant. As at the end of year (31st March, 2019), 1,03,683 equity shares held by 24,031 equity shareholders were unclaimed. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

The Company has kept all the unclaimed shares under abeyance/ stop and is in process of dematerialization/transfer of the said shares to Unclaimed Suspense Account – Shares. All those shareholders whose shares are unclaimed are required to contact the Company or M/s. MCS Share Transfer Agent Limited, Registrar and Transfer Agent of the Company with self attested copy of PAN Card for each of the joint shareholder(s) and Address Proof. On receipt of the request letter and on verification form, the Company shall arrange to credit the shares lying in the Unclaimed Suspense Account to demat account of concern shareholder or deliver the share certificate(s) after re-materialising the same.

➢ **DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES:**

The Risk Management Committee used to identify the risk elements and manages the risk pertaining to hedging activities and periodically discusses & mitigates the identified risks from time to time.

- **CERTIFICATE FROM A COMPANY SECRETARY IN PRACTICE THAT NONE OF THE DIRECTORS ON THE BOARD OF THE COMPANY HAVE BEEN DEBARRED OR DISQUALIFIED FROM BEING APPOINTED OR CONTINUING AS DIRECTORS OF THE COMPANIES BY THE BOARD/ MINISTRY OF CORPORATE AFFAIRS OR ANY SUCH STATUTORY AUTHORITIES:**

  A certificate from a Company Secretary in practice confirming the status on non-disqualification of directors is attached to this report.

- **COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE:**

  A certificate from the Company Secretary in whole time practice confirming compliance of conditions of Corporate Governance as stipulated under Clause E of Schedule V of the Listing Regulations is attached to this report.

- **DETAILS OF TOTAL FEES FOR ALL SERVICES PAID BY THE LISTED ENTITY AND ITS SUBSIDIARIES , ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR AND ALL ENTITIES IN THE NETWORK FIRM/ENTITY OF WHICH THE STATUTORY AUDITOR IS A PART.**

  The total fees for all services paid/payable by the Company and its subsidiaries, on a consolidated basis, to statutory auditors of the Company and other firms in the network entity of which the statutory auditors are a part, during the year ended 31st March, 2019 is as under:

Name of the Audit Firm	Amount (₹ in Million)
S Z Deshmukh & Co.,	6.211
Kadam & Co.,	0.882
Khandelwal Jain & Co	0.804
Shenzhen Golden Figures CPA	0.047
Al Kttbi & Associates	1.495
Others	0.022

- **DISCLOSURES IN RESPECT OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

A	Number of complaints filed during the financial year	NIL
B	Number of complaints disposed of during the financial year	NIL
C	Number of complaints pending as on end of the financial year	NIL

- **ADDITIONAL INFORMATION IN TERMS OF SCHEDULE V OF SEBI (LODR)**

  1. The Company has not raised any funds during the year under review.
  2. There are no instances of board not accepting any recommendation of any committee of the board which is mandatorily required.
  3. Except for what is disclosed in the Corporate Governance Report, there are no instances of non-compliance of any requirement of corporate governance report in terms of requirements of Schedule V, C, (2) to (10).
  4. The Company has complied with the corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR). As per the provisions of Code and provisions of Regulation 15(2A) and (2B) of SEBI (LODR), the provisions specified in Regulations 17, 18, 19, 20 and 31 shall not be applicable during the CIRP.

MISCELLANEOUS

- **BANK DETAILS:**

  Shareholders holding shares in physical form are requested to notify / send the following information to the Registrar and Share Transfer Agent of the Company:

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

- **PERMANENT ACCOUNT NUMBER:**

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

- **NOMINATION FACILITY:**

  Shareholders holding shares in physical form and desirous of submitting/changing nomination in respect of their shareholding in the Company may submit Form 2B (in duplicate) as per the provisions of Section 72 of the Companies Act, -2013, to the Company's Registrar and Share Transfer Agent.

CERTIFICATES AND CONFIRMATION

CERTIFICATE ON STATUS OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
VIDEOCON INDUSTRIES LIMITED

14. K.M Stone, Aurangabad Paithan Road,
Village Chittegaon, Taluka Paithan,
Aurangabad - 431105 .

Subject: Certificate under Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Videocon Industries Limited having CIN L99999MH1986PLC103624 and having registered office at 14. K.M Stone, Aurangabad Paithan Road, Village Chittegaon, Taluka Paithan, Aurangabad - 431105 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company is in default of repayment of principal amount of U.S.$75.2 Million and interest thereof for a period of more than 1 (One) year in respect of FCCBs issued and also the Company has failed to comply with the requirements of filing e-form DIR-9 with the Registrar of Companies. Thus, in terms of the provisions of Section 164(2)(b) of the Companies Act, 2013, the Board of Directors of the Company incur disqualification under Section 164(2)(b) of the Companies Act, 2013. Further, in terms of Section 167(1)(a) of the Companies Act, 2013, the office of the director shall become vacant in case he incurs any of the disqualification specified in section 164 provided that the office shall become vacant in all the companies, other than the company which is in default.

The Directors of the Company represented that they don't incur disqualification under section 164(2)(b) because the FCCB transaction was under duress and the matter is subjudice.

In my opinion and to the best of my information and based on the explanation furnished to me by the Company and its officers; and based on the explanation, declaration, representations from its Directors, I hereby certify that the following Directors of the Company are disqualified under Section 164(2)(b) of the Companies Act, 2013 and, accordingly, they vacate office in all other companies other than the Company which is in default under that sub-section i.e. Videocon Industries Limited:

Sr. No.	Name of Director	DIN	Date of Appointment
1.	Venugopal Nandlal Dhoot	00092450	01/09/2015
2.	Subhash Shamsunder Dayama	00217692	14/05/2016
3.	Sarita Sanjay Surve	07728829	11/02/2017

Based on my further verification of (i) Directors Identification Number (DIN) status at the portal www.mca.gov.in; (ii) list of entities debarred by Securities and Exchange Board of India, as uploaded on the website of Bombay Stock Exchange (BSE) Limited, I hereby certify that the status of their DIN is active and they are not debarred by Securities and Exchange Board of India (SEBI) and any other Statutory Authority.

Gayathri R Girish
Practicing Company Secretary
Membership No: 18630
CP: 9255
UDIN: A018630A000349642

Place: Mumbai
Date: 03.12.2019

CMD/CFO CERTIFICATION

To,
The Board of Directors,
VIDEOCON INDUSTRIES LIMITED

We, the Chairman and Managing Director and Chief Financial Officer of the Company, certify to the Board that:

a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended on 31st March, 2019 and to the best of our knowledge and belief:

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

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

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

c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company, disclosing to the Auditors and the Audit Committee the deficiencies in the design or operation of such internal controls, if any, and take steps or propose to take steps to rectify these deficiencies.

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

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

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

   iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For VIDEOCON INDUSTRIES LIMITED

RAJNEESH GUPTA
CHIEF FINANCIAL OFFICER

VENUGOPAL N DHOOT
CEO & MANAGING DIRECTOR

Date : 03rd December, 2019
Place : Mumbai

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
VIDEOCON INDUSTRIES LIMITED

I have examined all relevant records of Videocon Industries Limited ("Company") for the purpose of certifying compliance of the conditions of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March 2019. We have obtained all the information and explanations which is to the best of our knowledge and belief and were necessary for the purpose of the above certification.

The Company is undergoing corporate insolvency resolution process ("CIRP") under the provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC") in terms of order dated 6th June, 2018 passed by Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") read with the order of the NCLT dated 8th August, 2019. As per Section 17 of the IBC, the powers of the Board of Directors of the Company stood suspended and the same stood vested with the resolution professional of the Company. Consequently, the affairs, business and assets are being managed by Mr. Abhijit Guhathakurta who has been appointed as the resolution professional of the Company vide the NCLT order dated 25th September, 2019..

Management's Responsibility:

The Compliance of conditions of Corporate Governance is a responsibility of the Management.

PCS' Responsibility:

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has substantially complied with the conditions of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI LODR")** pursuant to the Listing Agreement of the said Company with stock exchanges except for the following circumstances:

- The Company has delayed the publication of un-audited financial results (in respect of few quarters), audited standalone financial results for the financial year ended on 31st March, 2018; and failed in publication of audited consolidated financial results for the financial year ended on 31st March, 2018, together with applicable reports, in terms of the provision of Regulation 33(3) of the SEBI LODR.
- The Company has delayed/failed in the publication of financial results in the newspaper in terms of requirements of Regulation 47(3) of SEBI (LODR).
- The Company has delayed in giving prior intimation to Stock Exchange(s) about consideration of Financial Results by the Board of Directors and/ or Resolution Professional in respect of few quarters in terms of requirements of Regulation 29 of SEBI LODR.
- The Company has not submitted/failed in:
    - payment of Listing Fees in terms of Regulation 14 of the SEBI LODR.
    - giving intimation for cessation of the KMP i.e., Chief Financial Officer.
- The Company has delayed in:
    - submission of Annual Report in terms of Regulation 34(1) of SEBI LODR.
    - submission of Shareholding Patterns in respect of certain quarters in terms of Regulation 31 of SEBI LODR.
    - submission of statement giving status of investor complaints in respect of few quarters in terms of Regulation 13(3) of SEBI LODR.
    - submission of Corporate Governance Report for one Quarter in terms of the provisions of 27(2) of SEBI LODR.
    - giving prior intimation and outcome in respect of certain meetings of Committee of Creditors.
    - submission of Reconciliation of Share Capital Audit in respect of certain quarters and failed submission for one quarter in terms of requirements of Regulation 76 of SEBI (Depositories and Participants Regulations), 2018.
    - The Company has delayed in giving information related to commencement of Corporate Insolvency Resolution Plan.
    - The evaluation of the performance of the Board of Directors as well as that of its committees and individual directors including chairman of the board, key managerial personnel/senior management etc., was not carried out during the year.
    - The Composition of the certain Committee(s) of the Board are not in accordance with the provisions of SEBI LODR.

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

Gayathri R Girish
CP No: 9255
ACS: 18630
UDIN : A18630A000349664

Place: Mumbai
Date: 03rd December, 2019

DECLARATION

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

For VIDEOCON INDUSTRIES LIMITED
CHAIRMAN, MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Place : Mumbai
Date : 03rd December, 2019

Annexure - 2

Particulars of Loans, Guarantees or Investments under section 186 of the Companies Act, 2013

[Pursuant to Section 134 (3)(g) of the Companies Act, 2013]

A. DETAILS OF INVESTMENT/ DIVESTMENT:

Sr. No.	Nature of transaction	Name of the person or body corporate whose securities have been acquired/Sold	No. and Kind of Securities	Cost of Acquisition/ Sale (₹ in Million)	Nominal Value	Date of Selling Investment	Selling Price (how the price was arrived at)
1.	Divestment of Securities	Middle East Appliances LLC	Equity	8.6	RO.1	April, 2018	Fair Value
2.	Divestment of Securities	H1 Hospitality Private Limited	Equity	0.02	₹ 10 per share	April, 2018	Fair Value

B. DETAILS OF LOANS:

Sr. No.	Nature of transaction	Name of the person or body corporate whose securities have been acquired/ Sold	Amount of Loan/Security/ Acquisition/ Guarantee	Time period for which it is made/ given	Purpose of Loan/ Acquistion/ Guarantee/ Security	% of loan/acquisition / exposure on guarantee/ security provided to the paid up Capital, Free Reserves and securities Premium account and % of free reserves and securities premium	Date of passing Special resolution, if required	Rate of Interest	Date of maturity
1.	Unsecured Loan	Electroworld Digital Solutions Ltd.	378.11	On demand	Allocation of bank interest charged under obligor/ co-obligor structure	N.A	u/s 186 on 12th September, 2014	Nil	N.A
2.	Unsecured Loan	Pipavav Energy Private Ltd.	0.01	On demand	General Corporate Purpose	N.A	u/s 186 on 12th September, 2014	Nil	N.A

C. DETAILS OF GUARANTEE:

Sr. No.	Nature of transaction (whether Loan/Guarantee/Security/ Acquisition)	Date of making Loan/ Acquisition/Giving Guarantee/ Providing Security	Name and Address of the Person or Body Corporate to whom it is made or given or whose securities have been acquired (Listed /Unlisted entities)	Amount of Loan/Security/ Acquisition/ Guarantee
NIL				

For VIDEOCON INDUSTRIES LIMITED
(A Company under Corporate Insolvency Resolution Process by NCLT order dated June 6, 2018 read with order dated August 8, 2019)

VENUGOPAL N DHOOT
CHAIRMAN, MANAGING DIRECTOR AND CEO
DIN: 00092450

DATE: 03rd December, 2019
PLACE: Mumbai

ANNEXURE- 3

FORM NO. AOC -2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.]

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis:

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

Name of the related party	Nature of relationship	Nature of contract /arrangement/ transaction	Duration of contract/ arrangement / transaction	Salient terms	Amount (₹ in millions)
Videocon Hydrocarbon Holdings Ltd.	Subsidiary	Other Non Operating Income	Ongoing	In the ordinary course of business	46.42
VOVL Limited	Subsidiary	Other Non Operating Income	Ongoing	In the ordinary course of business	0.27
Videocon Telecommunications Ltd.	Subsidiary	Other Non Operating Income	Ongoing	In the ordinary course of business	0.02

For VIDEOCON INDUSTRIES LIMITED
(A Company under Corporate Insolvency Resolution Process by NCLT order dated June 6, 2018 read with order dated August 8, 2019)

VENUGOPAL N DHOOT
CHAIRMAN, MANAGING DIRECTOR AND CEO
DIN: 00092450

DATE: 03rd December, 2019
PLACE: Mumbai

Annexure- 4A

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies

Amount (₹ in millions)

Name	% Increase of remuneration in 2019 as compared to 2018	Ratio of remuneration to Median Remuneration of Employees (MRE)	Ratio of remuneration to Median Remuneration of Employees and Whole Time Director
Non-executive directors			
Mr. Subhash S Dayama	Nil	N.A	N.A
Mrs. Sarita S Surve	Nil	N.A	N.A
Executive directors			
Mr. V. N. Dhoot, CEO	Nil	N.A	N.A
Chief Financial Officer			
Mr. Ashutosh Gune	This is not applicable considering that there is no change in the remuneration of the CFO.	8.18:1	N.A
Company Secretary			
Mr. Mandar Joshi (upto13.08.2018)	This is not applicable considering that there is no change in the remuneration of the CS	3.39:1	N.A
Mr. Kaustubha Sahasrabudhe	This is not applicable considering that he was appointed during the year.	6.79:1	N.A

a. The percentage increase in the median remuneration of employees in the financial year: Nil, in view of company being into CIRP

b. The number of permanent employees on the rolls of Company: 1528

c. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company: N.A

d. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Nil

e. The key parameters for any variable component of remuneration availed by the directors: N.A

f. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: N.A

g. Affirmation that the remuneration is as per the remuneration policy of the Company: Yes

Annexure- 4B

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Amount (₹ in millions)

A) Top 10 employees in terms of salary drawn during the year

Sl. No.	Name of Employee	Date of Joining	Gross Remuneration	Educational Qualification	Age	Experience	Whether related to director or manager, if related name of director	Last Employment	% of shares held	Designation
1.	Chandrakant Jyoti	17-12-2018	8.00	B.Com, M.B.A.	57	30	NO	Videocon Industries Limited	0.00	Chief Operating Officer
2.	T. Shankar	06-06-2007	7.817	MSc(Tech)	58	34	NO	ONGC Limited	0.00	Vice President (Geophysics-IIWS)
3.	Rajendra Bang	05-05-2018	6.935	M.Sc	57	30	NO	NA	0.00	Associate Vice President
4.	K.S. Harikumar	01-06-2004	6.831	Graduate	48	26	NO	NA	0.00	Vice President
5.	Pankaj Kothari	01-02-2011	6.563	C.A., B.Com	44	26	NO	Videocon Communications Limited	0.00	Deputy General Manager
6.	Rajendra Motilal Dungarwal	15-03-1988	6.350	C.A., CMA	58	31	NO	KAIL Limited	0.00	Associate Vice President
7.	Sanjay Matha	01-02-2017	6.171	M. COM, C.A.(Inter)	52	25	NO	NA	0.00	General Manager
8.	Sunil Kumar Samriya	01-08-1992	5.880	M. Com.	50	27	NO	NA	0.00	Deputy General Manager
9.	Vinod Kumar Bohra	02-04-2002	5.880	B.Com, M.B.A (Finance), C.S	45	23	NO	Karvy Consultants Private Limited	0.00	Associate Vice President
10.	Rajender Narayan Dwivedy	29-08-2010	4.966	M.Sc Tech applied geology	57	34	NO	ONGC Limited	0.00	Associate Vice President (Geology)

Notes:

1. Remuneration comprises salary, allowances, commission, performance based payments, perquisite and Company's contribution to Provident Fund and super-annuation as per the definition contained in Section 2(78) of the Companies Act, 2013 paid during the year. It also includes perquisites value of Restricted Stock Units (RSUs) exercised, if any, by employees.

2. The nature of employment is contractual in all the above cases.

3. None of the employees employed throughout the financial year or part thereof, were in receipt of remuneration in that year, which in the aggregate, or as the case may be at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

4. In terms of proviso to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars of employees posted and working in a country outside India, not being Directors or their relatives, have not been included in the above statement.

B) Employees drawing salary of ₹102 lakhs or above per annum and posted in India

Sl. No.	Name of Employee	Date of Joining	Gross Remuneration	Educational Qualification	Age	Experience	Whether related to director or manager, if related name of director	Last Employment	% of shares held	Designation
NOT APPLICABLE										

C) **Employed for Part of the Year with an average salary of ₹ 8.5 lakhs or above per month and posted in India**

Sl. No.	Name of Employee	Date of Joining	Gross Remuneration	Educational Qualification	Age	Experience	Whether related to director or manager, if related name of director	Last Employment	% of shares held	Designation
NOT APPLICABLE										

For VIDEOCON INDUSTRIES LIMITED
(A Company under Corporate Insolvency Resolution Process by NCLT order dated June 6, 2018 read with order dated August 8, 2019)

VENUGOPAL N DHOOT
CHAIRMAN, MANAGING DIRECTOR AND CEO
DIN: 00092450

DATE: 03rd December, 2019
PLACE: Mumbai

ANNEXURE- 5

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY

1.	Steps taken to conserve energy	The Company always endeavour to make its operations more efficient by putting technology to use for direct energy savings and increasing renewable energy sources. The Company is conscious about its responsibility to conserve energy, power and other natural resources wherever possible. Energy conservation is an effort made to reduce the consumption of energy by using less of an energy service. Some of the measures undertaken by the Company for the conservation of energy are: • Monitoring of power consumption on daily basis. • Awareness amongst employees and workmen in relation to energy conservation and reduction of misuse of electricity. • The Company has already replaced old and outdated luminaries by highly efficient LED's. • The Company has already installed and using energy saving lighting arrangement on roads and inside the manufacturing facilities. • Replacement of obsolete high power consuming products by Star rated projects with high energy efficiency. The adoption of the above energy conservation measures have helped Company to curtail the proportionate increase in total energy usage consequent to overall increase in production.
2.	Steps taken to utilise alternate sources of energy	The Company has in the past Installed roof top solar plant to ensure green energy generation.
3.	The capital investment on energy conservation equipments	The Company has not made any fresh investment on energy conservation equipments. Post admission of the Company into CIRP, the Company has undertaken the process of conservation, with zero investment, by rearranging the already existing energy conservation equipments in stock and/or from different locations.

B. TECHNOLOGY ABSORPTION

1.	The efforts made towards technology absorption	Post admission of the Company into Corporate Insolvency Resolution Process and in order to reduce the overall cost, the Company has discontinued research and development activities despite knowing the facts that R&D brings new knowledge and processes to the business and contributes in the creation of higher value-added products, processes and services that allows the company to thrive in the market.
2.	The Benefits derived as a result of the above efforts	Already carried out Research and Development has enabled the Company to design new product and development is a crucial factor in the survival of a company. As a result of earlier R&D, the Company has derived the following benefits in the year under review as well: • Improvement in the operational process; • Maintenance as well as improving the quality; • New / Improved products; • Cost reduction; • Meeting the changing social and environmental needs; and • Meeting the changing requirements of customers. The Company continue to derive the benefits of earlier R&D in the form of • Engaged in Internet of Things (IoT) technology, which will delight the customers by creating a web of seamless connectivity between TV and other home appliances. • Vide range of TVs/UHD TVs inter-alia including features such as "Liquid Luminous Technology" which greatly enhances picture quality; 98" UHD TV through which customers can experience theatrical ambience in the convenience of their homes; mobile audio features; and E Share features. • Various range of Digi/Alpha Series of washing machines. • Aryabot AC development; Solar AC development; Non CFC – Refrigerant AC development; Inverter AC development; and G mark and CB approved air-conditioner models for export.

3.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) technology imported; (b) the year of import (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	The Company has not imported any technology in the last three years.
4.	Expenditure incurred on R&D	The Company has not undertaken any R&D activities during the year. Accordingly, no expenditure has been incurred by the Company on account of capital and/or recurring. Thus, the total expenditure as a percentage to total turnover is Nil.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ In Millions)

Foreign Exchange Earnings And Outgo	FY 2019	FY 2018
a. Foreign exchange earnings	84.03	5,134.35
b. CIF Value of imports	65.27	8,992.19
c. Expenditure in foreign currency	157.06	276.18

For VIDEOCON INDUSTRIES LIMITED
(A Company under Corporate Insolvency Resolution Process by NCLT order dated June 6, 2018 read with order dated August 8, 2019)

VENUGOPAL N DHOOT
CHAIRMAN, MANAGING DIRECTOR AND CEO
DIN: 00092450

DATE: 03rd December, 2019
PLACE: Mumbai

ANNEXURE- 6

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management discussion and analysis report has been included in adherence to the spirit enunciated in the code of Corporate Governance approved by the Securities and Exchange Board of India (SEBI).

The Management Discussion and Analysis presented in this Annual Report focuses on reviewing the performance of the Company.

CONSUMER ELECTRONICS

INDUSTRY STRUCTURE AND DEVELOPMENT

The consumer durables industry is one of the most dynamic and fastest growing industries in India and is considered to be one of the largest in the world. The Indian government has announced the National Electronics Policy, 2019, which is expected to promote ease of doing business. The policy also intends to encourage the international brands to set up facilities in India and provide various ancilliary support to them. The policy initiatives take by Government of India such as "Make in India" drives the domestic manufacturing and as a result many manufacturers are planning to build their own manufacturing base in India owing to the availability of low cost labour in the country.

As per the management estimate, Indian appliances and consumer electronics market is estimated to increase at around 8-9.5 per cent CAGR to reach above ₹ 3 Trillion in 2021-2022.

As the LEDs attract import duty, it is expected that various international manufacturers shall set up manufacturing facilities in India under the theme of "make in India" and/or have alternative tie-ups with domestic manufacturers.

The Company expect the consumer durables market to register a growth of about 8 to 10% on back of improvement in overall consumption in domestic market.

The proposed increase in government expenditure on overall welfare and on rural programmes, rising average dual-household incomes, growing awareness amongst the customers, affordable pricing, improved standard of living, more purchasing power, nuclear families, higher disposable incomes, changing lifestyles, value for money, up-gradation of existing appliances with newer technological appliances, easy availabiity of finance are some of the major driving forces. Further, rapid proliferation of e-commerce and online retaining and other retail marketing initiatives such as exchange program, bundled offers, attractive discounts, freebies and extended warranties are also driving the overall demand. The Government's focus on rural electrification, housing for all so as to make affordable housing and power available to all the citizens of India and facilitate round the clock availability of power are expected to be major key factors for strong growth in the consumer electronics and home appliances market.With an affluent middle class and the country's economic growth being on a rapid track, the consumer electronics industry has never before witnessed such amazing growth. With the Internet of Things (IoT) becoming a way of life, smaller, real-world devices such as home appliances, sensors, consumer electronic devices, etc. are getting connected to the Internet. The Internet of Things (IoT) is bringing billions of things into the digital fold, which will make the IoT a growing industry in India.

This sector comprises three segments viz., white goods, brown goods and consumer electronics/durables. Consumer durables' is one of the fastest growing industry segments in India.

a. **White Goods:** Air conditioners, Washing Machines and Refrigerators

b. **Brown Goods:** Mixer Grinders, Microwave ovens, Cooking range, Juicers, Irons, Toasters, Electric fans, Vacuum Cleaners, Dishwashers, Water Purifiers, Dryers etc.,

c. **Consumer Electronics:** Television, Computers, Mobile Phones, Laptops, Gaming Consoles, Audio and Video systems, Home systems etc.,

The company is engaged in the manufacture and wholesale and retail trade of consumer electronics and home appliances items.

The Company engages in the manufacture, sales and service of the following types of products:

- Television
- Refrigerators
- Washing Machines
- Air Conditioners

There has been sharp decline in the manufacturing of the consumer electronics goods due to lack of demand on account of uncertainty in services; and cash crunch situation.

Televisions:

With the advancing technology, there is growing preference for smart offices and smart homes, where smart TV is an important part of it. Smart TV serves multifold purposes such as entertainment, music player and running internet based applications i.e. transforming it into a computer such as streaming videos from Amazon TV, Netflix and Google play store.

Rising disposable income of the people of consumer electronics and their shift in preferences towards smart homes and smart offices environment, average dual-household incomes, growing awareness amongst the customers, affordable pricing, improved standard of living, more purchasing power, nuclear families, higher disposable incomes, changing lifestyles, value for money, up-gradation of existing TVs with newer technological appliances are thus majorly driving the growth of the market.

With smart TV functions, the screen size, display type and resolution are also vital factors impacting the sales of smart TVs. High end TV still has to go long to have larger market share in India. The 4K TV is a trend India but soon the trend will change and upgrade as per the developed technology across the globe.

The contribution of smart TVs to overall sales has gone upto significantly over last few years and the share is expected to move up. Smart TVs market in India registered robust growth in 2018-19 attributed to a sharp drop in the prices of the Smart TVs as well as rising penetration of Smart TV vendors.

With the increasing innovation and technological improvements in the consumer electronics industry, the cost of Smart TVs is expected to see a downward trend in future as well. Factoring these, we can say that Smart TVs are well on their way to become one of the preferred mainstream products in India.

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

The Videocon LEDs has many advanced features. Some of the many advanced features of Videocon's high-end TVs include Ai Smart TV (understands your preference of viewing, favourite choices, order of priority and provides you with a customized viewing experience by organizing and programming as per your preferences and is powered with android operating system); Liquid Luminous Display (enables the TV screen to reproduce up to 95% of the visualization capability of the human eye, whereas conventional LED screens are able to deliver only up to 72% in this regard); 4K Ultra HD (best in class display with crystal clear picture), Wireless display connectivity (Screen Mirroring without use of HDMI or VGA cables) and Star rated ("Go Green" initiative for power saving in compliance with BEE norms).

Refrigerators:

The Indian refrigerators market is categorized into two product types' i.e. direct cool refrigerators and frost free refrigerators. Frost free refrigerators do not require manual defrosting and on the contrary in direct cool refrigerators manual defrosting is needed. The frost free refrigerator market of India is gaining massive popularity and momentum over traditional refrigerator models. Direct cool refrigerators dominate in the Indian market whereas frost free refrigerators are becoming popular among urban households.

Energy star rating, Rising household income, Improving living standards, Rapid urbanization, Increasing number of nuclear families, Large untapped market, Environmental changes, Warranties, Discounts, Incentives, Easy cleaning facilities are major growth drivers for the refrigerator industry. The efforts of players to offer affordable and eco-friendly variants and strategies to penetrate into smaller towns are acting as a driving force for the industry. Further, rising per capita income, increasing role of the government to support FDI in India and easy availability of financing will also drive the industry. New lifestyles where food is kept for longer after cooking is also driving up demand for refrigerators. Penetration of electricity and affordable housing offer the space and possibility of buying a fridge to those who would not be able to use one earlier. The major players are cutting their prices and launching the new models with advanced features and new designs. With the rising per capita income levels, declining prices and consumer finance the refrigerator market is expected to grow in future years. The utility and the need of refrigerator is felt 365 days in a year, and hence has become an indispensable item of every household. Moreover, due to the hot and humid weather conditions in the country, the necessity of the product has increased manifolds.

Videocon's refrigerators are designed keeping the Indian consumer's needs and choices in mind. Apart from the high quality in design and manufacturing, they also carry the signs of innovativeness that distinguish the company's other products inter-alia including Most energy Efficient (certified by Bureau of Energy Efficiency); Varied power rating to suit your electricity consumption tolerance, with up to 5 star rating in direct cool category; Highly durable compressor; Humidity Control; Photosis Fresh (technology that helps to keep the fruits and vegetables breathing inside the refrigerator); Active air-flow; Wine rack; Cool booster pack with a lower melting point than ice; Toughened glass; Chiller tray with bottle storage for beverages best served chilled and PCM/VCM finish doors with high gloss and designer patterns for greater aesthetic appeal.

Washing Machines:

Growing disposable income and easy financing options have led to shortened replacement cycles whereas rising influence of modern lifestyle has perceived products such washing machines as utility items rather than luxury goods.

In the current scenario washing machines are no more a privilege. It has become an essential item in every house making the practice of washing clothes more intelligent, personalised and time saving. New technologies include Smart features washing machines along with the reduction in water usage.

Videocon expanded its product portfolio to Fully Automatic Top loading and Fully Automatic Front loading in sizes ranging from 5.5 Kg to 10Kg. Videocon fully automatic washing machines has vibrant colours and aesthetically superior looks, water saver function, multiple wash selection option, lesser water consumption and higher performance continues to be a popular series. In Semi-Automatic Category, development with vibrant colours and aesthetically superior looks and multiple wash selection option was done across the models.

Air Conditioner:

The market of air conditioners in India has been on a steady growth. The market is all set to undergo a phenomenal upheaval in the next 5 years. Factors such as changing consumer lifestyle, awareness about green and energy efficient products, raising per capita income and extremely hot and humid climate through most part of the year are playing a crucial role.

Owing to BEE guidelines and power savings, consumers have developed a major preference for energy efficient models towards 5 Star rating and Inverter ACs. BEE's star labelling norms have become more stringent with its introduction of ISEER rating according to which a 5 star Model in 2017-18 would be a 3 star model soon.

Increasing demand by the residential sector owing to reduction in prices has instigated the manufacturers to aim for a higher market share in the highly potential market of air conditioners in India. The demand from the commercial segment is catching up fast with the increasing number of commercial offices, stores and business apartments being set up, as compared to the demand from the residential segment.

Videocon Air conditioners has best of features and includes Non CFC - Refrigerant AC development with Ozone friendly refrigerant R410a development for environment protection against Global warming and Ozone layer depletion; Inverter AC development i.e. Energy efficient Air-conditioner, Energy consumption reduction and better comfort for customer due to variable speed compressor running through DC Inverter Technology; G mark and CB approved air-conditioner models for export; and Energy efficient AC development as per the new ISEER rating norms by BEE.

INDUSTRY STRUCTURE & DEVELOPMENT

INDIAN OIL & GAS INDUSTRY

The oil and gas sector is among the eight core industries in India and plays a major role in influencing decision making for all the other important sections of the economy. India's economic growth is closely related to energy demand; therefore the need for oil and gas is projected to grow more, thereby making the sector quite conducive for investment. The Government of India has adopted several policies to fulfil the increasing demand. The government has allowed 100 per cent Foreign Direct Investment (FDI) in many segments of the sector, including natural gas, petroleum products, and refineries, among others.

As per the media source, the Government of India has taken various initiatives to promote oil and gas sector which inter-alia include:

- The Government of India is planning to set up around 5,000 compressed bio gas (CBG) plants by 2023.
- Government of India is planning to invest ₹ 70,000 crore (US$ 9.97 billion) to expand the gas pipeline network across the country.
- In September 2018, Government of India approved fiscal incentives to attract investments and technology to improve recovery from oil fields which is expected to lead to hydrocarbon production worth ₹ 50 lakh crore (US$ 745.82 billion) in the next twenty years.
- The Oil Ministry plans to set up bio-CNG (compressed natural gas) plants and allied infrastructure at a cost of ₹ 7,000 crore (US$ 1.10 billion) to promote the use of clean fuel.

Road Ahead

Energy demand of India is anticipated to grow faster than energy demand of all major economies, on the back of continuous robust economic growth.

OIL & GAS – SEGMENT OF VIDEOCON

The Company has established its presence in Oil and Gas business in India and Overseas, directly and through its subsidiaries/joint ventures. The interest in the domestic Ravva block is directly held by Videocon Industries Limited while the Participating Interest in the overseas oil and gas assets is held through subsidiaries/joint ventures.

The original term of the Ravva product sharing contract was due to expire on October 27, 2019. After the balance sheet date, the production sharing contract was extended and, accordingly, the production sharing contract (PSC) is now valid effective 28th October, 2019, for the next 10 years. The extension will enable the joint venture partners to recover about 13 million barrels of oil equivalent (boe) of oil.

In case of the Brazil assets, the Participating Interest is held by a company named IBV Brazil PetroleoLimitada, which is a50:50 JV of Videocon Energy Brazil Limited (a 100%subsidiary of VHHL) and BPRL Ventures BV ("a wholly owned subsidiary of BPRL International BV, Netherlands).

Over the years, Videocon has also acquired technical capabilities for prospecting and playing an effective supporting role for development of its oil and gas assets.

Domestic Asset

Videocon has a participating interest of 25% in the Ravva block. Cairn India Ltd. is the operator of the block. The Ravva block is a mature shallow water asset (depth 5 to 40 meters) located in Krishna Godavari

Basin, off the Andhra Pradesh coast. The block was discovered in 1987 by ONGC and the block began production in 1993. Government of India (GOI) made the Ravva field (along with several other fields) available for foreign investment in 1994 in an effort to increase the country's oil and gas production and also to bring in best of class technologies. The production sharing contract for the block was signed in October 1994 for a period of 25 years and is valid till October 2019. Cairn India Ltd. is the operator of the block. Apart from Videocon with a 25% PI, the other members of the consortium are ONGC (40%), Vedanta Ltd (22.50%), Ravva Oil (Signapore) Pte Ltd (12.50%).

The original term of the Ravva product sharing contract was due to expire on October 27, 2019. After the balance sheet date, the production sharing contract was extended and, accordingly, the production sharing contract (PSC) is now valid effective 28th October, 2019, for the next 10 years. The extension will enable the joint venture partners to recover about 13 million barrels of oil equivalent (boe) of oil.

Overseas Assets

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

Assets in Brazil

i) BM SEAL-11 Concession

The BM-SEAL-11 Concession comprises of four (4) ultra-deep water blocks viz. SEAL-M-426, SEAL-M-349, SEAL-M-497 and SEAL-M-569,in north eastern Brazil located in the Sergipe-Alagoas basin. Petrobrasis the operator of the concession. The group holds 20% PI in the concession via IBV Brazil PetroleoLimitada, a 50-50 JV Company with Bharat Petro Resources Ltd. (BPRL) – a wholly owned subsidiary of Bharat Petroleum Corporation Ltd. (BPCL). In BM-SEAL-11 concession Five Appraisal Plans viz. Barra, Farfan, Cumbe, Papangu and Poco Verde structures, with various timelines, have witnessed significant hydrocarbon discoveries which are all in different stages of appraisal/ evaluation phases along with neighbouring Joint Venturers in a unitization proposal and the same are heading towards commercialization. JV has approved Extended Well Test (EWT) in the Farfan Field.

ii) BMC-30 Concession

The BMC-30 Concession in the Campos Basin is located offshore to theRio de Janeiro and Espirito Santo States. Wahoo is a major oil discovery made in this concession. Anadarko, one of the world's largest independent E&P company, is the operator of this Concession. Meanwhile, as a part of Anadarko's worldwide corporate strategy, conveyed it's decision to resign as operator and exit BMC30, on March 15, 2018. The remaining partners BP, Total and IBV have consented to continue in the JV. The JV Parties have approved BP's nomination to succeed Anadarko as Operator of the BM-C-30 Concession.

The group has 12.50% Participating Interest (PI) in the concession which is held through IBV BrasilPetroleoLimitada, a 50-50 JV Company with BPRL.

iii) BM-POT-16 Potiguar Basin Concession

Videocon has participating interest in two blocks in Potiguar Basin Concession. Potiguar Concession Contract POT-M-16 was signed on January 12, 2006 in the Seventh Round of Bidding, comprising of Blocks POT-M-663, POT-M-760 and covers an area of 1,535 sq. km. Petrobras is the Operator with 30%. The group has a 10% participating interest in the Concession, which is held through IBV BrasilPetroleoLtda, a 50 : 50 JV Company with BPRL. Well Ararauna, was drilled which discovered thin oil bearing sands inAlbian/Cenomanian age and Discovery Assessment Plan(PAD) was approved by ANP to further appraisal. All the other activities, including G&G studies, are going on as scheduled in the latest Appraisal Plan approved by ANP. Multi-client 3D seismic surveys, totalling 2158 Km2, planned to cover blocks 663 and 760 in POT-16 concession. The surveys by M/s PGS started in the last quarter of 2017 and completed by March 2018. Interpretation of the newly acquired seismic 3D data is expected to help finalize the firm well location to be drilled in the 4th quarter of 2019.

Assets in Indonesia:

The Nunukan block in Indonesia is located in the Tarakan Basin on the continental shelf of northeast Kalimantan, which is in the prolific oil & gas producing Kutei Basin. Hydrocarbon exploration activities in Nunukan area were concentrated mainly onshore before the end of 19th century. Tarakan Basin is aproducing field having more than 10 discoveries which went into production. PT Pertamina (PHENC),the national oil company of Indonesia, is the operator. Consequent to JV Partner PT Medco exiting from the PSC, Videocon Indonesia NunukanInc (VINI) and Pertamina (Operator) the consenting partners picked up it's 40% participating interest share on prorate basis, with BPRL abstaining. SKK Migas conveyed its formal approval on September 18, 2015 for the same, resulting in increase of VINI's participating interest from12.50% to 23.00% without cost. In Nunukan Block successful oil and gas discoveries are announced in Badik Field in three wells and the West Badik Field in one well. Subsequent drilling of Parang Well has discovered Oil & Gas in Nunukan Block has been ranked as one of the top ten discoveries of the world for the year 2017. Government has approved Plan of Development (POD-1) of Badik-West Badik Discoveries. The integrated development concept envisages 3 platform seach in Badik-West Badik and Parang Fields, while 2 platforms are planned for Keris Field. Keris prospect is proximally located on the flank of Bunyu structure which is a producing field and share the same trend with Badik – West Badik – Parang structures.

OPPORTUNITIES AND THREATS

Opportunities: Consumer Electronics & Home Appliances Sector

- The Indian government has announced the National Electronics Policy, 2019, which is expected to promote ease of doing business. The policy also intends to encourage the international brands to set up facilities in India and provide various ancillary support to them.
- The policy initiatives take by Government of India such as "Make in India" drives the domestic manufacturing and as a result many manufacturers are planning to build their own manufacturing base in India owing to the availability of low cost labour in the country.
- It is expected that various international manufacturers shall set up manufacturing facilities in India under the theme of "make in India" and/or have alternative tie-ups with domestic manufacturers.
- Huge domestic demand to be an influence in attracting investments.
- With rise in income level of the customers and availability of easy finance, the discretionary spending has become important. As a result, the durable goods which were earlier considered to be luxury are now being considered as a necessity.
- Internet subscribers in India have increased significantly in last few years and it is expected to grow further. This could be a driving factor for innovation in the Smart TVs and other consumer durables.
- Increase in the awareness about Smart TVs is a significant factor which could be driving the growth in sales of Smart TVs in India.
- Rapid urbanization is helping in the growth of consumer electronics and home appliances industry. There has been a paradigm shift of the Indian population in terms of rural-urban divide. The aspiration of higher income, higher standard of living have drawn more and more people from villages to settle in towns and cities. This transition has led to an increase in the demand for goods.
- The growing use of credit and debit card and easy availability of credit has resulted in the increase in spending inter-alia including on purchases of consumer electronics and home appliances thereby fuelling the demand in the durables sector.

- The growth of mediums such as e-commerce and m-commerce has provided retailers to stay in touch with consumers via various mediums and thus increase on their sales by constant promotion of products. Further, the incentives such as cash-back, discounts, freebies offered through e-commerce has huge positive impact on sales of consumer electronics and home appliances and the demand is further expected to boost over the years.
- The rapid growth of population, affordable housings, opportunities in the semi-urban and urban areas have led to growth of nuclear families. This has pushed the demand for consumer electronics and home appliances.
- The growing number in dual income families (both husband and wife earning) has given greater purchasing power and willingness to spend to them which has pushed family's focus towards luxury/semi-luxury products resulting into higher demand for consumer electronics and home appliances.
- With the development of the communication channel and the rise of Information, Communication and Technology Industry, a rise in media across the world is seen. Number of people with internet access has increased drastically and it has thus created a new opportunity for companies to position/market their products in a better way using improved and more efficient marketing channels. Social media too is playing vital role in shaping the position of the product.

Opportunities: Oil and Gas Sector

- Extension of Ravva PSC period.
- Additional exploration over and above proposed development in Brazil and Indonesia to further augment petroleum reserve base.

Threats: Consumer Electronics & Home Appliances Sector

- The Industry is highly capital intensive and the Company is having fund constraints.
- Brand Loyalty is moderate

  Due to the high marketing spends of multinational companies (MNCs) and new brands entering in India, the company faces the threat of a preference developing among consumers for foreign brands.
- The rise of modern trade retail chains of various hues leads to the risk of concentration of the sales to a few large customers. This is a threat to the margins of the company. It can be countered by enhancing the pull factors that drive sales through brand building measures at the corporate level.

Threats Oil and Gas Sector:

- Long gestation period of development and production of oil and gas projects in deep water;
- Huge up and downs in oil prices.

SEGMENT-WISE PERFORMANCE

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

(₹ in Million)

Segment	Year ended on 31st March, 2019	Year ended on 31st March 2018
Consumer Electronics and Home Appliances	**2,813.01**	23,222.12
Crude Oil and Natural Gas	**6,286.86**	5,275.65
Telecommunication	**10.39**	1,577.82
Total	**9,110.26**	**30,075.59**

RISK & CONCERNS

Risks relating to Consumer Electronics & Home Appliances Business:

- Rising input prices such as the selling, general & administrative expense along with the cost of goods sold is difficult to control and thus a reduction in profit margin is seen.
- International manufactures are now partnering with e-retailers to promote sales and increase penetration in the Indian market.
- These days setting up a manufacturing facility or expanding the product line is very capital intensive.
- Non availability of adequate working capital is a great concern.

INTERNAL CONTROL SYSTEMS AND ACCURACY

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

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

Internal Control Activities and Best Practices

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

1. **Preventive**: Preventive control activities aim to deter the instance of errors or fraud. Preventive activities include thorough documentation and authorization practices. Preventive control activities prevent undesirable "activities" from happening, thus require well thought out processes and risk identification.
2. **Detective**: Detective control activities identify undesirable "occurrences" after the fact. The most obvious detective control activity is reconciliation.

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

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

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

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

DISCUSSION ON FINANCIAL PERFORMANCE

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

Fixed Assets:

The Net block of the Company including Capital Work in progress and Other intangible Assets as on 31st March, 2019 was ₹ 55,851.61 Million and against the net block including Capital Work in progress and Other intangible for the period ended on 31st March, 2018 was ₹ 61,085.13 Million.

Income:

Revenue from Operations

During the year ended 31st March, 2019 the Company achieved gross Revenue from Operations of ₹ 9,065.97 Million as against ₹ 28,398.61 Million for the period ended 31st March, 2018.

Other Income

Other income for the year ended 31st March, 2019 amounted to ₹ 1,560.16 Million as against ₹ 5,840.46 Million for the year ended 31st March, 2018. Other income comprises of income from investments and securities division, profit on sale of fixed assets, insurance claim received, Exchange rate fluctuation, interest and other non-operating income.

Expenditure

Cost of Goods Consumed/Sold

During the year ended 31st March, 2019 Cost of Goods Consumed/ Sold stood at ₹ 13,300.53 Million as against ₹ 35,292.07 Million for the year ended 31st March, 2018.

Production and Exploration Expenses for Oil and Gas

During the year ended 31st March, 2019 the production and exploration expenses for oil and gas were ₹ 4,209.99 Million as against ₹ 3,361.65 Million for the year ended 31st March, 2018.

Employee Benefits Expense

During the year ended 31st March, 2019, the employee benefits expense stood at ₹ 1,187.88 Million as against ₹ 2,170.77 Million for the year ended 31st March, 2018.

Other Expenses

During the year ended 31st March, 2019, the other expenses were ₹ 3,904.27 Million as against ₹ 8,419.67 Million for the year ended 31st March, 2018.

Finance Costs

For the year ended 31st March, 2019, Finance costs amounted to ₹ 37,749.00 Million as against ₹ 28,310.02 Million for the year ended 31st March, 2018.

Depreciation, Amortisation and Impairment

Depreciation for the year ended 31st March, 2019 amounted to ₹ 5,255.10 Million as against ₹ 8,148.45 Million for the year ended 31st March, 2018.

Profit/Loss Before Tax

The loss before tax stood at ₹69,114.09 Million for the year ended 31st March, 2019, as against loss of ₹ 58,401.55 Million for the year ended 31st March, 2018.

Tax Expenses

Tax Expenses includes Deferred Tax. For the year ended 31st March, 2019, the tax expenses amounted to ₹ (1,506.54) Million as against ₹ (5,761.18) Million for the year ended 31st March, 2018.

Net Profit/Loss

Net loss for the year ended 31st March, 2019, is ₹ 67,607.55 Million as against net loss of ₹ 52,640.37 Million for the year ended 31st March, 2018.

Details of significant changes (i.e change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanation thereof, including:

<table>
<tr><th>S. No</th><th>Nature of Ratio</th><th>Percent change</th><th>Reason</th></tr>
<tr><td>1</td><td>Debtor Turnover</td><td>0.70</td><td rowspan="7">There has been a significant change in all the key financial ratios on account of overall impact on the operations of the Company.

The operations were impacted on account of the referral and consequently the commencement of Corporate Insolvency Resolution Process.</td></tr>
<tr><td>2</td><td>Inventory Turnover</td><td>1.58</td></tr>
<tr><td>3</td><td>Interest Coverage Ratio</td><td>(0.83)</td></tr>
<tr><td>4</td><td>Current Ratio</td><td>0.14</td></tr>
<tr><td>5</td><td>Debt Equity Ratio</td><td>(10.84)</td></tr>
<tr><td>6</td><td>Operating Profit Margin (%)</td><td>(328.76)</td></tr>
<tr><td>7</td><td>Net Profit Margin (%)</td><td>(745.14)</td></tr>
</table>

Similarly, the change in Return on Net Worth as compared to the immediately previous financial year was on account of significant losses and provisioning.

OUTLOOK

The medium to long term, the view is positive, giving the rise in affordability levels (combination of increasing disposable incomes and the trend of reducing prices), and the existing low household penetration base for consumer durables. The growth prospects for individual items would, however, depend on specific demand drivers. The Company has adopted the best and the most sophisticated technology to suit Indian needs. The Company has been planning international forays in the same industry and has successfully forayed into international market either directly or indirectly.

The company focuses on Ingenious Strategy, Improved Technology, Innovative Products, Inspired Thinking and Insightful Marketing. Company focuses on Customer and his needs and is committed to delight and deliver beyond what is expected.

The aim of the Company is to serve consumers domestically as well as internationally by creating technologically path breaking products through constant innovation. The Company as a part of reducing manufacturing cost of products has explored the possibility of manufacturing various components at the in-house facility by setting by standalone facilities.

MATERIAL DEVELOPMENTS ON HUMAN RESOURCE

The Human Resource function of your Company plays a critical role in realizing business objectives by leading organizational change and effectively mobilizing talent to sustain the organization's competitive age.

The Company believes in building performance driven organization characterized by performance, pride and happiness. The Company conducts employee engagement surveys through expert agencies to identify the areas to improve upon for building a motivated and productive workforce.

The total manpower strength of the Company for the financial year ended 31st March, 2019, is around 1,528.

Industrial relations remained cordial during the period under review.

CAUTIONARY STATEMENT

Statements in this report describe the Company's objectives, projections, estimates, expectations and predictions, may be 'forward looking statements' within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise. These statements doesn't guarantee future performance and are subject to known and unknown risks, uncertainties and other factors such as change in the government regulations, tax laws, economic conditions and other incidental factors.

Annexure - 7

Form No.MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Videocon Industries Limited
14 K.M. Stone, Aurangabad Paithan Road,
Village Chittegaon, Taluka Paithan,
Aurangabad - 431105
Maharashtra

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Videocon Industries Limited (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided me reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year from 1st April, 2018 to 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

➢ The Companies Act, 2013 (the "Act") and the rules made there under;

➢ The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;

➢ The Provisions of the Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

➢ The Foreign Exchange Management Act (FEMA), 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the Company for the financial year ended 31st March, 2019.

➢ The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 w.e.f. October 28, 2014 (Not applicable to the Company during the Audit Period);

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

➢ Other laws as informed and certified by the management of the Company which are specifically applicable to the Company based on its industry/sectors are:

- Factories Act, 1948
- Industrial Disputes Act, 1947
- The Payment of Wages Act, 1936
- The Minimum wages Act, 1948
- Employees State Insurance Act, 1948
- The Employees Provident Funds and Miscellaneous Provisions Act, 1952
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Contract Labour (Regulation & Abolition) Act, 1970
- The Maternity Benefit Act, 1961
- The Child Labour (Prohibition & Regulation) Act, 1986
- The Industrial Employment (Standing Orders) Act, 1946
- The Employees Compensation Act, 1923
- The Apprentices Act, 1961
- Equal Remuneration Act, 1976
- The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- Water (Prevention and Control of Pollution) Act, 1974
- Air (Prevention and Control of Pollution) Act, 1981
- Environment Protection Act, 1986
- Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- E-Waste Management & Handling Rules, 2016

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

➢ Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

I have relied on the representation made by the Company and its officers for the systems and mechanisms formed by the Company for compliances under applicable Acts, Rules, Laws and Regulations to the Company.

I have not examined the Compliance by the Company:

- With Other laws including applicable labour, industrial, environmental and other industry specific laws (as informed and certified by the management of the Company which are specifically applicable to the Company based on its industry/sector) since the compliance and monitoring of the said laws are to be ensured by the management of the Company;
- With the applicable financial laws like direct and indirect laws, since the same have been subject to review by the statutory financial audit by other designated professionals.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc., subject to the following observations:

I. Under Companies Act, 2013:

- During the period under review the Company has not filed E Form MGT 14 for certain resolutions passed by the Board of Directors during the year 2018 – 19 inter-alia including e-form MGT-14 for approval of standalone and consolidated financial statements and Board's Report by the Board for the Financial year ended 31st March, 2018; appointment of Secretarial Auditor for the financial year ended on 31st March, 2018.
- In terms of the provisions of Sec 148 of the Companies Act, 2013 read with Rule 6 of the Companies (Cost Records and Audit Rules, 2014) as amended from time to time, the Company has not filed CRA 2 for change in the Cost Auditor (due to resignation of the Cost Auditor and appointment of another Cost Auditor) for the financial year 2018-2019; and Form CRA 4 for the financial year and 31st March, 2018.
- The Company has not transferred the unpaid/unclaimed dividend to IEPF, declared at the 22nd Annual General Meeting held on 29th June, 2011 and which was due for transfer to Investor Education and Protection Fund ("IEPF") on or before 10th September,2018, thereby violating the provisions of Section 124(5) of the Companies Act, 2013. Similarly, the Company has not transferred the shares in respect of which dividend is unclaimed or unpaid for than 7 years and which were due for transfer to IEPF. Thus, the Company has violated the provisions of Section 124 of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
- The Company has not filed statement of amounts remaining unpaid and unclaimed to IEPF Authority in Form IEPF 2 within 90 days of the Annual General Meeting held on 17th December, 2018 in accordance with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Thus, the Company has violated the provisions of Sub-Rule 8 of Rule 5 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016
- The Company has not complied with the provisions of Section 203 of the Companies Act. 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with regards to the appointment of Chief Financial Officer (CFO) of the Company till the end of financial year.
- The Company has not given adequate disclosure in the Report of the Board of Directors in terms of the provisions of Section 134(3)(g) pertaining loans, guarantees or investments; 134(3)(h) pertaining to contracts of agreements with related parties in prescribed Form AOC-2; 134(3)(m) pertaining to conservation of energy and technology absorption and foreign exchange earnings and outgo; and rule 5 of the Companies (Appointment & Remuneration of Managerial Personal) Rules, 2014 in respect of the ratio of the remuneration of each director to the median employee's remuneration and a statement showing the names of the top ten employees in terms of remuneration drawn and other details;
- As at 31st March, 2019, the Company has not filed certain E-Forms inter-alia including E Form AOC 4 XBRL as prescribed under Section 137 of the Companies Act, 2017 and Form MGT-7 as prescribed under Section 92 of the Companies, Act, 2013 for the Financial year ended 31st March, 2017 and 31st March, 2018. However, these E-Forms were subsequently filed after the balance sheet date and before the signing of this report.
- The Company appeared to be under default of repayment of principal amount of U.S.$75.2 Million and interest thereof for a period of more than 1 (One) year in respect of FCCBs issued. Accordingly, pursuant to the provisions of Section 167(1)(a) of the Companies Act, 2013, the office of the director shall become vacant in all the companies, other than the company which is in default under that sub-section. Further, the Company failed to comply with the requirement of filing e-form DIR-9. However, the Company has informed that as the matter is sub-judice and the said contract was under duress and no amount has yet become due and payable. Thus, according to the Company, the Board of Directors of the Company doesn't incur disqualification under Section 164(2)(b) of the Companies Act, 2013 till the time the matter is decided by the appropriate forum. However, i am of the view that in absence of injuction from appropriate forum, the Directors are disqualified.
- The Company has not charged interest on the loans granted to its subsidiaries as required under section 186(7) of the Companies Act, 2013.
- The Company has not maintained the prescribed cost auditor records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under section 148(1) of the Companies Act, 2013.
- The Company has not filed e-form DIR-12, as at 31st March, 2019, for:
- Resignation of Mr. Ashutosh Gune as Chief Financial Officer of the Company w.e.f. 23rd May, 2018.
- Cessation of Mr. V N Dhoot as Director in view of majority of the Promoter(s), Promoter Group and Person Acting in Concert dissenting to the resolution for his re-appointment. However, the Committee of Creditors has not yet approved the resultant change in the management of the Corporate Debtor as required in terms of the Regulation 28 of the Insolvency and Bankruptcy Code, 2016. Accordingly, it was construed by the erstwhile Resolution Professional that Mr. V N Dhoot shall continue to be director of the Company.

II. Under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and other SEBI Regulations:

- The Company has delayed the publication of un-audited financial results (in respect of few quarters), audited standalone financial results for the financial year ended on 31st March, 2018; and failed in publication of audited consolidated financial results for the financial year ended on 31st March, 2018, together with applicable reports, in terms of the provision of Regulation 33(3) of the SEBI LODR.
- The Company has delayed/failed in the publication of financial results in the newspaper in terms of requirements of Regulation 47(3) of SEBI (LODR).
- The Company has delayed in giving prior intimation to Stock Exchange(s) about consideration of Financial Results by the Board of Directors and/or Resolution Professional in respect of few quarters in terms of requirements of Regulation 29 of SEBI LODR.
- The Company has not submitted/failed in:
- payment of Listing Fees in terms of Regulation 14 of the SEBI LODR.
- giving intimation for cessation of the KMP i.e., Chief Financial Officer.

- The Company has delayed in:
- submission of Annual Report in terms of Regulation 34(1) of SEBI LODR.
- submission of Shareholding Patterns in respect of certain quarters in terms of Regulation 31 of SEBI LODR.
- submission of statement giving status of investor complaints in respect of few quarters in terms of Regulation 13(3) of SEBI LODR.
- submission of Corporate Governance Report for one Quarter in terms of the provisions of 27(2) of SEBI LODR.
- giving prior intimation and outcome in respect of certain meetings of Committee of Creditors.
- submission of Reconciliation of Share Capital Audit in respect of certain quarters and failed submission for one quarter in terms of requirements of Regulation 76 of SEBI (Depositories and Participants Regulations), 2018.
- The Company has delayed in giving information related to commencement of Corporate Insolvency Resolution Plan.

III. Under Foreign Exchange Management Act (FEMA), 1999

As per Section III (Annexure 6) (Para 2.2d) of the Foreign Direct Investment Policy, the return of Foreign Assets and Liabilities for the Current and previous Audit Periods has not been filed for the Company with the Reserve Bank of India.

The Company has not filed monthly return in ECB-2 for the period January, February and March of 2019.

I report that:

1. The State Bank of India in capacity of the Financial Creditor of the Company, had filed a Petition with Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai ("NCLT"), for the debts due to them and initiation of Corporate Insolvency Resolution Process ("CIRP") in respect of the Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("Code"). In terms of the Order pronounced on 6th June, 2018, by the NCLT, Mr. Anuj Jain, having Registration No.: IBBI/IPA-001/ IP-P00142/2017- 18/ 10306 was appointed as Interim Resolution Professional of the Company and subsequently confirmed as Resolution Professional at the Meeting of the Committee of Creditors.
2. Subsequently, Mr. Venugopal N. Dhoot, promoter of the Company, had filed an application before the Principal Bench, National Company Law Tribunal, New Delhi praying that all the matters relating to the Videocon Group Companies inter-alia including the Company must be heard before Common NCLT, Bench.
3. Similarly, another application was filed by the State Bank of India before the Hon'ble NCLT Principal Bench, seeking the consolidation of CIRPs of all the Videocon group companies. The Hon'ble Principal Bench disposed of both the applications vide a common order dated 24th October, 2018. Vide the said Order dated 24th October, 2018, the Hon'ble Principal Bench has transferred all the matters where CIRP commenced in respect of the Videocon Group Companies before Hon'ble NCLT, Mumbai Bench to avoid the conflicting of orders, if any.
4. Pursuant to the aforesaid application filed before the "NCLT", Mumbai by State Bank of India and Mr. Venugopal N Dhoot in the Videocon Consolidation Matter under Section 60 (5) of the Code read with the rules and regulations framed there under, as amended from time to time, the NCLT vide its order ("Consolidation Order") dated 8th August, 2019 had admitted the application allowing consolidation of CIRP petitions of 13 Videocon Group Companies viz., M/s. Videocon Industries Limited, M/s. Value Industries Limited; M/s. Videocon Telecommunications Limited; M/s. Evans Fraser And Company (India) Ltd; M/s. Millennium Appliances India Ltd; M/s. Applicomp (India) Ltd; M/s. Electroworld Digital Solutions Ltd; M/s. Techno Kart India Ltd; M/s. Century Appliances Ltd; M/s. Techno Electronics Ltd; M/s. PE Electronics Ltd; and CE India Ltd ("Corporate Debtors") and has continued CIRP of all the Corporate Debtors as one from 8th August, 2019 i.e. from the date of the Order till the end of 180 days.
5. The NCLT vide its order 8th August, 2019, has appointed Mr. Mahender Khandelwal, having registration No. IBBI/IPA-001/IP-P00033/2016-17/10086, as the Resolution Professional of the Corporate Debtors ("Erstwhile Resolution Professional") replacing then erstwhile resolution professional.
6. Consequent to appointment of Mr. Mahender Khandelwal as the resolution professional of the Corporate Debtors, he constituted the COC and held the First Meeting of the COC on 16th September, 2019.
7. In the First Meeting of the COC held on 16th September, 2019, the CoC voted, with the requisite majority required under the Code, for the replacement of the Erstwhile Resolution Professional with Mr. Abhijit Guhathakurta as the resolution professional for the 13 Videocon group entities (including Videocon Telecommunications Limited) on consolidated basis ("Resolution Professional"). Accordingly, State Bank of India on behalf of CoC filed an Application with the Hon'ble National Company Law Tribunal, Mumbai Bench at Mumbai, for the replacement of Mr. Mahendra Khandelwal with Mr. Abhijit Guhathakurta as Resolution Professional.
8. The NCLT vide its order dated September 25, 2019 (published on September 27, 2019) has approved the replacement of the Erstwhile Resolution Professional with Mr. Abhijit Guhathakurta, Reg. No. IBBI/IPA-003/IP/N000103/2017-18/11158 as the resolution professional for the consolidated CIRP of the Corporate Debtors ("Order of Replacement").
9. In terms of Section 14 of the Code read with the Order, moratorium continues inter alia prohibiting the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other authority.
10. In terms of Section 17 of the Code, the management of affairs of the Corporate Debtor vests with the Resolution Professional and the powers of the Board of Directors of the Corporate Debtor which were already suspended shall be exercised by him.
11. By virtue of Section 17 & 23 of the Code:
    a. the management of the affairs of the Corporate Debtors vests in the Resolution Professional;
    b. the powers of the board of directors are suspended and are to be exercised by the Resolution Professional;
    c. the officers and managers of the Corporate Debtors are required to report to the Resolution Professional and provide access to such documents and records of the Corporate Debtors as may be required by the Resolution Professional; and
    d. the financial institutions maintaining accounts of the Corporate Debtors are required to act on the instructions of the Resolution Professional in relation to such accounts and furnish all information relating to the Corporate Debtors available with them to the Resolution Professional.

I further report and/or invite attention that:

- For the purpose of determining non-compliances, I have considered compliances in respect of which the filings were due as at 31st March, 2019 and the report doesn't include any non-compliances on account of:
  - ➢ non-filing in the event the due date of filing is post 31st March, 2019 and/or the events in respect of which the time line for filing was relaxed/extended by Ministry of Corporate Affairs such as INC-22A, DPT 3, BEN-2 etc.,
  - ➢ non-compliance in respect of the e-forms (including AOC-4 and MGT-7) which were filed before 31st March, 2019 irrespective of due date so long as delayed filing, as such e-forms were filed with additional fees.
  - ➢ non-compliances which were identified by erstwhile Secretarial

Auditor(s) in the Secretarial Audit Report of previous year(s) and which are still not complied by the Company.

- Non-Compliance in respect to submission of Annual Secretarial Compliance Report to Stock Exchange within 60 days from the end of Financial year in terms of SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019.

- The Company has not filed (MGT-10) in respect of change in the shareholding of promoters in terms of Section 93 of the Companies Act, 2013, read with rule 13 of Companies (Management and Administration) Rules, 2014, as amended, for the change taken place on 31st March, 2018. However, pursuant to the provisions of the Companies (Amendment) Act, 2017, whereby the provisions of Section 93 of the Companies Act, 2013 have been omitted w.e.f. 13th June, 2018 and as such the Companies are now not required to file a return in the prescribed Form (MGT-10) with the Registrar of Companies.

- The Company has not filed e-form MGT -14 for appointment of Internal Auditor as required in terms of provisions of Section 138 of the Act read with Rule 13 of Companies (Accounts) Rules, 2014 as the Company has confirmed it has in place an in-house internal audit team led by in house internal auditor to carry out the audit of internal records maintained by the Company and the said constitution/appointment was prior to commencement of the Act.

- The evaluation of the performance of the Board of Directors as well as that of its committees and individual directors including chairman of the board, key managerial personnel/senior management etc., was not carried out during the year as the Company was admitted to CIRP on 06th June, 2018.

- During the financial year end 31st March, 2019, five meetings of the Committee of Creditors were held on 6th July, 2018, 25th July, 2018, 18th September, 2018, 16th November, 2018 and 25th February 2019. I have not been provided minutes of the Committee of Creditors of the Company hence unable to comment compliances, if any, arising out of decisions taken by the Committee of Creditors.

- The Board of Directors of the Company is constituted with proper balance of Executive, Non-Executive Directors and Independent Directors only if it is determined that the approach taken by erstwhile Resolution Professional that the cessation of Mr. V N Dhoot (as stated hereinabove under observations) has not yet been approved by the Committee of Creditors and, accordingly, the same is not effective and he shall continue to be the Director. Except for the above, the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- The Independent Directors of the Company have furnished certificate of Independence to the Company.

- The Composition of the certain Committee(s) of the Board are not in accordance with the provisions of Sec 177 of the Companies Act, 2013 and SEBI LODR.

- In terms of the provisions of Section 173 of the Companies Act, 2013, every company shall hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. However, the said provisions are not applicable to the companies which are under Corporate Insolvency Resolution Process in respect of the Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 (“Code”) as the powers of the Board of Directors stand suspended. Similarly, the provisions are not applicable to the committee meetings.

- As per the provisions of IBC and provisions of Regulation 15 (2A) and (2B) of SEBI LODR, the provisions specified in regulation 17, 18,19 and 21, shall not be applicable during the insolvency resolution process. The provisions as specified in said regulations of the SEBI (LODR) shall not be applicable during the insolvency resolution process period and the roles and responsibilities of the board of directors and the committees, specified in the respective regulations, shall be fulfilled by the interim resolution professional or resolution professional.

- The Chairman of the Audit Committee, Nomination and Remuneration Committee and Stake Holders Committee didn’t participate in the AGM held on 17th December, 2018. However, considering that the provisions specified in regulation 17, 18,19 and 21, shall not be applicable during the insolvency resolution process, this is not a non-compliance.

- Post admission of the Company into CIRP on 06th June, 2018, no meetings of the Board or Committee were held. Accordingly, no business were transacted and/or recommended by Committee(s) or Board, as the case may be.

- In respect of the meetings held during the year under review, adequate notice were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- All decisions at the Board Meetings and Committee Meetings were carried out unanimously, as per the recording of minutes of the proceedings of the meetings of the Board or the Committee(s), as the case may be.

I further report that during the audit period the Company has not undertaken any event/actions having a major bearing on the Company’s affairs in pursuance to the applicable referred laws, regulations, rules, guidelines etc., except for the following actions which would have arisen (without any action on part of the Company) which requires attention of the members:

i. As stated hereinbefore, the Company is into Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016.

ii. The Company made an application to the Registrar of Companies seeking approval for extension of time for holding Annual General Meeting under section 96(1) of the Companies Act, 2013 for the financial year ended March 31st, 2019. Keeping in view, the circumstances as mentioned for extension of time for the purpose of holding Annual General Meeting, Registrar of Companies has granted the extension of 2 months. The Company made a further application to Registrar of Companies seeking approval for extension of time for holding Annual General Meeting under section 96(1) of the Companies Act, 2013 by a further period of 1 month i.e., upto December 30, 2019. The said approval is still under process.

iii. The Inspection u/s 206(5)/207 of the Companies Act, 2013 was carried out by the Inspecting Officer appointed by Regional Director – Western Region. During the course of Inspection the Investigating officer has observed certain non-compliance/contraventions of the provisions of the Companies Act, 1956/2013. The Company and its officer in default have filed compounding application(s) in respect of majority of non-compliances/contraventions identified by the Inspecting Officer.

iv. The Stock exchange(s) have issued penalty notice for non-compliances of various provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations. On certain occasions, the Company has replied the stock exchange(s) to take lenient view considering that the Company is under CIRP.

Gayathri R Girish
CP No: 9255
ACS: 18630
UDIN: A018630A000349631

Place: Mumbai
Date: 03rd December, 2019

Annexure – A

To,
The Members,
Videocon Industries Limited
(CIN: L99999MH1986PLC103624)
14 K.M. Stone, Aurangabad Paithan Road,
Village Chittegaon, Taluka Paithan,
Aurangabad - 431105
Maharashtra

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion n these secretarial records based on my audit.

2. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for my opinion.

4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of certain events during the audit period.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Gayathri R Girish
CP No: 9255
ACS: 18630
UDIN: A018630A000349631

Place: Mumbai
Date: 03rd December, 2019

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Videocon Industries Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of Videocon Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph* of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

a) *As mentioned in Note No. 49 of the standalone financial statements, the Company has made investments, given advances and has trade receivables aggregating to ₹ 181,386.43 Million in subsidiary/group/affiliate companies, which have been also admitted to Corporate Insolvency Resolution Process (CIRP).*

In view of the referral of these group/affiliate companies to National Company Law Tribunal and consequent admission thereof under the Insolvency and Bankruptcy Code, 2016, we are unable to express an opinion on the extent of realisability of aforesaid investments, advances and trade receivables from these subsidiary/group/affiliate companies. The consequential effect of the above, on the standalone financial statements for the year ended March 31, 2019 is not ascertainable.

The auditor's report for the preceding financial year was also qualified in respect of this matter.

b) *As mentioned in Note No. 50 to the standalone financial statements, the manufacturing activity of Glass Shell division which manufactured panels and funnels used in Colour Picture Tube of Colour Television, has been suspended from July, 2017 due to poor demand. According to management, there are indication of impairment loss. However, the Company has not assessed or reviewed the plant and machinery and other fixed assets related to the Glass Shell division for impairment. In respect of other fixed assets, management has not carried out any assessment of impairment, and the impairment loss, if any, has not been ascertained. The consequent effect of the same is not ascertainable. (Also refer para (i) of Annexure 'A' to the report).*

c) *As mentioned in Note No. 51 to the standalone financial statements, the balance confirmations have not been received in respect of certain secured and unsecured loans, balances with banks, trade receivables, trade and other payables and loans and advances. The Company continues the process of obtaining confirmations and reconciliation of the balances of trade receivables, trade and other payables and loans and advances. The impact of the same is not ascertainable at present.*

d) *As mentioned in Note No. 52 to the standalone financial statements, no confirmation is available in respect of equity shares valued at ₹ 32.69 Million shown in Non-Current Investments, which were given as security for the loans and advances taken by the Company. The outstanding balance of loans and advances as on March 31, 2019 of ₹ 15.00 Million, is also subject to confirmation from that party.*

e) *As mentioned in Note No. 53 to the standalone 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. Such claims can be submitted to the RP till the approval of the resolution plan by CoC. 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 operational and financial creditors. Hence, consequential impact, if any, is currently not ascertainable and we are unable to comment on possible financial impacts of the same.*

f) *As mentioned in Note No. 54 to the standalone Ind AS financial statements, the Company has entered into agreement in April, 2018 with Mr. Said Salehal Hinai, for sale of Middle East Appliances LLC, a subsidiary company for RO 50,000 (equivalent to ₹ 8.60 Million). Out of which RO 25,000 (equivalent to ₹ 4.30 Million) had been received and balance RO 25,000 (equivalent to ₹ 4.30 Million) are not yet received. Further, as per the Foreign Exchange Management Act, 1999, the said balance of RO 25,000 (equivalent to ₹ 4.30 Million) should have been received within 90 days. This is non compliance of the provisions of Foreign Exchange Management Act.*

g) *Material uncertainty relating to Going Concern:*

As mentioned in Note No. 48 to the standalone financial statements, the Company has been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016, and there are persistent severe strains on the working capital and there is considerable decline in level of operations of the Company and net worth of the Company as on the reporting date is negative and it continues to incur losses. The Company has received invocation notices of corporate guarantees given by it and also the personal guarantees of promoter directors have been invoked. Since Corporate Insolvency Resolution Process (CIRP) is currently in progress, as per the Code, it is required that the Company be managed as going concern during CIRP. Accordingly, the standalone financial statements are continued to be prepared on going concern basis. However, 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 standalone 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 at this stage.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Apart from the matters described in the Basis for Qualified Opinion paragraph and Material uncertainty related to Going Concern section, we have also determined the matters described below to be the key other audit matters to be communicated in our report.

Key Audit Matter (Other than those given in Basis for Qualified Opinion)	**How our audit addressed key audit matter**
Revenue Recognition The principal products of the Group comprise consumer electronics products that are mainly sold through distributors, modern trade and direct sale channels amongst others. Revenue is recognised when the customer obtains control of the goods. We identified revenue recognition as a key audit matter because the Company and its external stakeholders focus on revenue as a key performance indicator. This could create an incentive for revenue to be overstated or recognised before control has been transferred.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards. We performed substantive testing by selecting samples of revenue transactions, recorded during the year by testing the underlying documents using statistical sampling. We carried out analytical procedures on revenue recognised during the year to identify unusual variances. We performed confirmation procedures on selected customer balances at the balance sheet date. We tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate financial period. We tested manual journal entries posted to revenue to identify unusual items.
Litigations, provisions and contingencies The Company is involved in several ongoing direct and indirect tax litigations. The assessment of the existence of the present legal or constructive obligation, analysis of the probability or possibility of the related payment require the management to make judgement and estimates in relation to the issues of each matter. The management with the help of opinion and advise of its experts have made such judgements and estimates relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability. The Company recognises a provision when it has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made. We have identified litigations, provisions and contingencies as a key audit matter because it requires the management to make judgements and estimates in relation to the exposure arising out of litigations. The key judgement lies in the estimation of provisions where they may differ from the future obligations. The Company operates under several tax laws and some of these have a significant impact on the standalone financial statements of the Company.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: We tested the effectiveness of key controls around the recording and assessment of tax provisions and contingent liabilities. We assessed the value of the provisions and contingent liabilities in light of the nature of the exposures, applicable regulations and related correspondences with the authorities. We have reviewed and held discussions with the management to understand their processes to identify new possible obligations and changes in existing obligations for compliance with the requirements of Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets. We have also discussed with the management significant changes from prior periods and obtained a detailed understanding of these items and assumptions applied. We have held regular meetings with the management and key legal personnel responsible for handling legal matters. In addition, we have reviewed the details of the proceedings before the relevant authorities including communication from the advocates / experts; status of each of the material matters as on the date of the balance sheet. We have assessed the appropriateness of provisioning based on assumptions made by the management and presentation of the significant contingent liabilities in the financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon ("Other Information")

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Corporate Governance Report but does not include the standalone financial statements and our auditor's report thereon. The Board's Report including Annexures to Board's Report and Corporate Governance Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's Report including Annexure to Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

The Company has been under the Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('the Code') vide order dated June 6, 2018 passed by the National Company Law Tribunal ('NCLT'). The powers of the Board of Directors stand suspended as per Section 17 of the Code and such powers are being exercised by the Resolution Professional (RP) appointed by the NCLT by the said order under the provisions of the Code. As per Section 20 of the Code, the management and operations of the Company were being managed by Interim Resolution Professional / Resolution Professional Mr. Anuj Jain.

Subsequently, NCLT Principal Bench on October 24, 2018 directed to transfer all insolvency petitions related to certain Videocon group/affiliate entities to one bench at NCLT, Mumbai and left open the matter of substantive consolidation to be decided by NCLT, Mumbai bench. Further, State Bank of India had filed a petition at NCLT, Mumbai bench for substantive consolidation of CIRP of group/affiliate entities.

The NCLT, Mumbai Bench has, vide order dated August 8, 2019, directed consolidation of 13 entities out of 15 group/affiliate entities including the Company. Subsequently, the NCLT vide Order dated September 25, 2019 has appointed Mr. Abhijit Guhathakurta as Resolution Professional (RP) for the consolidated CIRP cases of the 13 Videocon group entities including the Company, which was published on September 27, 2019 and has been directed to take over the process of insolvency. Further, as per the order dated August 8, 2019, the CIRP is to be completed within 180 days from the date of the said order i.e. August 8, 2019. Therefore, the management and operations of the Company and other 12 consolidated entities, namely, 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, Value Industries Limited, PE Electronics Limited, CE India Limited and Sky Appliances Limited are being managed by Resolution Professional Mr. Abhijit Guhathakurta.

The Company's management is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 / RP is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a Statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest, benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

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

b) except for the possible effects of the matters described in the Basis of Qualified opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss 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 account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended, except requirement of Ind AS 26 on Impairment of Assets and Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets with regard to matters described in the Basis of Qualified Opinion paragraph above.

e) The matters described under the basis for qualified *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 standalone financial statements of the Company.

f) We have not received any written representations from the directors as on March 31, 2019 with regard to disqualification from being appointed as a director in terms of Section 164(2) of the Act. However, considering the fact, that the Company has defaulted in repayment of Foreign Currency Convertible Bonds, in our opinion, all the directors are disqualified from being appointed as director in terms of Section 164 (2) of the Act.

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'.

(B) 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. The Company has disclosed the impact of pending litigations as at March 31, 2019 on its financial position in its standalone financial statements – Refer Note 37, 38, 39, 40 and 41 to the standalone financial statements.

ii. The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.

iii. The Company has defaulted in transferring amounts of ₹ 1.11 Million, required to be transferred to the Investor Education and Protection Fund during the year ended March 31, 2019.

(C) 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 remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not 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 S Z DESHMUKH & CO.
Chartered Accountants
(Firm Registration No. 102380W)

D. U. KADAM
Partner
Membership No. 125886
UDIN: 19125886AAAACN2528

Place: Mumbai
Date: November 27, 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditor's Report to the members of the Videocon Industries Limited ('the Company') on the standalone financial statements for the year ended March 31, 2019. We report the following:

(i) In respect of fixed assets:

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

(b) We have been informed that a physical verification and valuation of fixed assets has been carried out by external agencies. However, we have not been given any such report. Hence, we are unable to comment as to whether there is any material discrepancies on physical verification. In our opinion, the frequency of verification is not satisfactory, having regard to the size of the Company and nature of its business.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

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

(b) As per information and explanation given to us, the verification of inventory related to consumer electronics business and its valuation was carried out by a firm of chartered accountants, who has identified shortages, damages and non moving items and valued the inventory at ₹ 2,786.50 Million as against the book carrying value of ₹ 12,048.20 Million as on May 31, 2018 (Refer Note No. 55 of the standalone financial statements). The values arrived by the valuer have been considered by the Company and the difference has been charged to consumption of materials and increase/decrease in inventory.

(iii) The Company has granted unsecured loans that are repayable on demand to 6 companies covered in the register maintained under section 189 of the Companies Act, 2013. The Company has not granted any secured/unsecured loans to firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(a) The terms and conditions of the aforesaid loans are prejudicial to the Company's interest, in as much as that no interest has been charged by the Company during the year considering the financial conditions of those companies.

(b) In respect of the aforesaid loans, we are informed that repayment terms are not stipulated as the loans are repayable on demand. As informed to us, two companies are under the Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code, 2016.

(c) In respect of the aforesaid loans, as informed to us, there is no overdue amount as at year end.

(iv) The Company has not charged interest on the loans granted to its subsidiaries as required under section 186(7) of the Act. Except for this, in our opinion and according to the information and explanation given to us, the Company has complied with the other provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the period. Therefore, the provisions of clause (v) of the Order is not applicable.

(vi) According to the information and explanations given to us, in our opinion, the Company has made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with appropriate authorities wherever applicable. According to the information and explanations given to us, undisputed arrears of statutory dues which were outstanding as on March 31, 2019 for a period of more than six months from the date they became payable and not paid till date are given below:

Nature of the Dues	**₹ in Million**
1. Central Sales Tax	2.19
2. Value Added Tax	155.54
3. Goods and Service Tax	88.87
4. Entry Tax	45.63
5. Profession Tax	1.72
6. Provident Fund	14.25
7. Employees State Insurance	4.68
8. Labour Welfare Fund	0.01

(b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, details of dues of income tax, 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, 2019 on account of disputes are given below:

Name of Statute	Nature of the Dues	₹ in Million	Forum where dispute is pending
1. Customs Act, 1962	Custom Duty and Penalties	5.83	Supreme Court
		214.81	High Court
		90.91	DGFT
		255.16	CESTAT
		23.96	Commissioner
		17.18	Deputy Commissioner
		4,045.17	Asst. Commissioner
2. Central Excise Act, 1944	Excise Duty and Penalties	48.21	Supreme Court
		1.78	High Court
		1,844.82	CESTAT
		0.57	Commissioner
		6.48	Additional Commissioner
		6.40	Assistant Commissioner
		0.94	Superintendent
3. Finance Act, 1994 (Service Tax Provisions)	Service Tax and Penalties	20.89	CESTAT
		2.25	Superintendent
4. Central Sales Tax Act, 1956 and Sales Tax Acts of various States	Sales Tax	48.02	High Court
		40.50	Tribunal
		11.26	Commissioner (Appeals)
		106.96	Joint Commissioner
		53.98	Joint Commissioner (Appeals)
		4,168.75	Additional Commissioner
		24.38	Additional Commissioner (Appeals)
		68.26	Deputy Commissioner
		0.19	Deputy Commissioner (Appeals)
		0.20	Commercial Tax Officer
5. Income Tax Act, 1961	Income Tax	2,842.66	High Court
		34.09	Income Tax Appellate Tribunal
		158.05	Commissioner (Appeals)
6. Navi Mumbai Municipal Corporation	Cess	1,012.64	High Court

(viii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, we observed that, the Company has defaulted in repayment of interest and principal amount of all loans to financial institutions and banks. The default runs into more than 365 days.

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

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

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

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

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

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

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

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

For S Z DESHMUKH & CO.
Chartered Accountants
(Firm Registration No. 102380W)

D. U. KADAM
Partner
Membership No. 125886
UDIN: 19125886AAAACN2528

Place: Mumbai
Date: November 27, 2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of Videocon Industries Limited ('the Company') as of March 31, 2019 in conjunction with our audit of the standalone 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 the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors 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 Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2019:

i. The confirmations and reconciliation of balances of certain secured and unsecured loans, balances with banks, trade receivables, trade and other payables and loans and advances are not being taken and reconciliations are pending. (Refer Note No. 51).

ii. The Company has not made any assessment of impairment of the fixed assets, loans and advances and other assets as at the balance sheet date.

iii. Non compliance of the requirements of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to preparation of periodical financial results from quarter ended March 31, 2019 till date.

iv. Statutory dues (Goods and Service Tax / Value Added Tax / Tax Deducted at Source) accounts are in the process of reconciliation and there are delays in filing of certain statutory returns with the respective authorities. Company needs to strengthen internal control system in this regard.

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. In our opinion, except for the effects / possible effects of the material weaknesses described above under Qualified Opinion paragraph on the achievement of the objectives of the control criteria, the Company has, in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

We have considered material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 standalone financial statements of the Company and these material weaknesses affect our opinion on standalone financial statements of the Company for the year ended March 31, 2019 [our audit report dated November 27, 2019, which expressed a qualified opinion on those standalone financial statements of the Company].

For S Z DESHMUKH & CO.
Chartered Accountants
(Firm Registration No. 102380W)

D. U. KADAM
Partner
Membership No. 125886
UDIN: 19125886AAAACN2528

Place: Mumbai
Date: November 27, 2019

Balance Sheet as at March 31, 2019

(₹ in Million)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
I. ASSETS			
1) Non-current assets			
Property, Plant and Equipment	2	55,742.72	60,954.32
Capital work-in-progress		103.70	107.14
Other Intangible assets	3	5.19	23.67
Financial Assets			
i) Investments			
Investments in Subsidiary, Associate and Joint Venture	4A	94,752.76	95,245.55
Other investments	4B	1,604.69	1,740.64
ii) Loans	5	105,506.09	106,061.36
iii) Others	6	5.74	39.25
Other non-current assets	7	429.30	440.75
Other Tax Assets (Net)		662.23	713.95
Total non current assets		**258,812.42**	**265,326.63**
2) Current Assets			
Inventories	8	2,711.07	14,077.09
Financial Assets			
i) Trade receivables	9	9,957.55	7,850.52
ii) Cash and cash equivalents	10a	1,108.86	2,701.58
iii) Bank balances other than cash and cash equivalents	10b	1,605.29	1,585.65
iv) Loans	11	28,902.39	41,947.10
v) Others	12	836.16	737.89
Other current assets	13	890.79	631.67
Total current assets		**46,012.11**	**69,531.50**
TOTAL ASSETS		**304,824.53**	**334,858.13**
II. EQUITY AND LIABILITIES			
1) Equity			
Equity share capital	14	3,344.59	3,344.59
Other equity	15	(29,703.00)	38,426.84
Total Equity		**(26,358.41)**	**41,771.43**
2) Non current liabilities			
Provisions	16	1,844.28	1,674.22
Deferred tax liabilities (net)	17	1,386.18	2,889.56
Deferred income - Grant for ozone project		48.17	52.26
Total non current liabilities		**3,278.63**	**4,616.04**
3) Current liabilities			
Financial liabilities			
i) Borrowings	18	285,844.35	245,039.51
ii) Trade payables	19	11,225.86	12,736.84
iii) Others	20	29,899.39	29,043.22
Other current liabilities	21	554.30	1,102.24
Provisions	22	380.41	548.85
Total Current liabilities		**327,904.31**	**288,470.66**
TOTAL EQUITY AND LIABILITIES		**304,824.53**	**334,858.13**
Significant Accounting Policies	1		

The accompanying notes are an integral part of the the financial statements

As per our report of even date
For S Z DESHMUKH & CO.
Chartered Accountants

D. U. KADAM
Partner
ICAI Membership No: 125886
Place : Mumbai
Date : November 27, 2019

RAJNEESH GUPTA
Chief Financial Officer

SAMRIDHI KUMARI
Company Secretary
Membership No. ACS 54714

For and behalf of the Board
V. N. DHOOT
Managing Director & CEO
DIN 00092450

S. S. DAYAMA
Director
DIN 00217692

Statement of Profit and Loss for the year ended March 31, 2019

(₹ in Million)

Particulars		Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
I.	Income			
	Revenue from operations	23	9,065.97	28,398.61
	Other income	24	1,560.16	5,840.46
	Total Income		**10,626.13**	**34,239.07**
II.	Expenses			
	Cost of materials consumed	25	8,786.78	25,222.71
	Purchase of stock-in-trade	26	538.89	9,005.84
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	3,974.86	1,063.52
	Excise Duty		-	737.85
	Production and Exploration expense- Oil and Gas	28	4,209.99	3,361.65
	Employee Benefits Expenses	29	1,187.88	2,170.77
	Finance Costs	30	37,749.00	28,310.02
	Depreciation and Amortization Expenses	2	5,255.10	8,148.45
	Other Expenses	31	3,904.27	8,419.67
	Total Expenses		**65,606.77**	**86,440.48**
	Exceptional Item	32	14,133.45	6,200.14
	Profit/(Loss) before Tax		**(69,114.09)**	**(58,401.55)**
	Tax expense:	33		
	i) Current Tax		-	-
	ii) Deferred Tax		(1,506.54)	(5,761.18)
	Total Tax Expenses		**(1,506.54)**	**(5,761.18)**
	Profit/(Loss) for the year		**(67,607.55)**	**(52,640.37)**
	Other comprehensive income			
	Items that will not be reclassified to statement of profit or loss in subesequent period			
	i) Remeasurements of the defined benefit plans		9.04	31.95
	ii) Equity instruments through other comprehensive income - net change in fair value		(528.17)	(3,976.77)
	iii) Income tax on above		(3.16)	(11.46)
			(522.29)	**(3,956.28)**
	Total comprehensive income/(loss) for the year		**(68,129.84)**	**(56,596.65)**
	Earnings per equity share			
	Basic and diluted earnings per share	34	(202.14)	(157.39)
	Significant Accounting Policies	1		

The accompanying notes are an integral part of the the financial statements

As per our report of even date
For S Z DESHMUKH & CO.
Chartered Accountants

D. U. KADAM
Partner
ICAI Membership No: 125886
Place : Mumbai
Date : November 27, 2019

RAJNEESH GUPTA
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SAMRIDHI KUMARI
Company Secretary
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For and behalf of the Board
V. N. DHOOT
Managing Director & CEO
DIN 00092450

S. S. DAYAMA
Director
DIN 00217692

Statement of cash flows for the year ended March 31, 2019

(₹ in Million)

Particulars`		For the year ended March 31, 2019	For the year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) before tax		(69,114.09)	(58,401.55)
Adjustments for:			
Depreciation and amortisation		5,255.10	8,148.45
Expenses related to aborted project		-	4,765.83
Finance costs		37,749.00	28,310.02
Provision for warranty and maintenance		(136.91)	(81.53)
Provision for gratuity		20.16	(22.22)
Provision for leave encashment		(1.51)	(23.35)
Provision for abandonment and site restoration costs		119.88	36.06
Provision for doubtul debts		0.03	3,313.38
Interest income		(192.00)	(494.93)
(Income) from Investments and Securities Division		(379.30)	(420.35)
(Profit)/Loss on sale of fixed assets		(1.99)	(1.76)
Other comprehensive income/(loss)		(519.13)	(3,944.82)
Adjustment of grant		(4.09)	(4.07)
Operating Profit before Working Capital Changes		**(27,204.85)**	**(18,820.84)**
Adjustments for:			
Inventories		11,366.02	14,558.10
Trade receivables		(2,107.06)	12,839.25
Loans and advances		13,599.98	(8,093.95)
Other financial and non financial assets		(312.43)	(708.42)
Trade payables		(1,510.98)	(6,312.00)
Other financial and non financial liabilities		308.23	(1,854.10)
Cash generated from Operations		**(5,861.09)**	**(8,391.96)**
Less: Taxes Paid (Net)		(51.72)	(104.55)
Net Cash (used in) Operating Activities	**(A)**	**(5,809.37)**	**(8,287.41)**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Sale of fixed assets		45.71	42.06
Purchase of fixed assets (including capital work-in-progress)		(65.30)	(43.00)
Interest income		192.00	494.93
(Increase)/decrease in Fixed deposits and other bank balances		(19.64)	3,534.63
Decrease in Other Investments (net)		135.95	5.81
Decrease in Investments in Subsidiaries (net)		492.79	5,564.60
Income from Investments and Securities Division		379.30	420.35
Net Cash from Investing Activities	**(B)**	**1,160.81**	**10,019.38**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Increase in non current borrowings		-	24,751.27
Increase in current borrowings		40,804.84	4,088.87
Finance costs		(37,749.00)	(28,310.02)
Payment of dividend		-	(2.02)
Net Cash from Financing Activities	**(C)**	**3,055.84**	**528.10**
Net Change in Cash and Cash Equivalents	**(A+B+C)**	**(1,592.72)**	**2,260.07**
Cash and Cash Equivalents at beginning of the year		2,701.58	441.51
Cash and Cash Equivalents at end of the year		**1,108.86**	**2,701.58**

As per our report of even date
For S Z DESHMUKH & CO.
Chartered Accountants

D. U. KADAM
Partner
ICAI Membership No: 125886
Place : Mumbai
Date : November 27, 2019

RAJNEESH GUPTA
Chief Financial Officer

SAMRIDHI KUMARI
Company Secretary
Membership No. ACS 54714

For and behalf of the Board

V. N. DHOOT
Managing Director & CEO
DIN 00092450

S. S. DAYAMA
Director
DIN 00217692

Statement of Changes in Equity (SOCIE) for the year ended March 31 , 2019

a) Equity share capital

Particulars	Note	₹ in Million
Balance as at March 31, 2018		3,344.59
Changes in equity share capital during the year	14	-
Balance as at March 31, 2019		3,344.59

b) Other equity

(₹ in Million)

Particulars	Equity component of compound financial instrument	Reserves & Surplus						Equity instruments through OCI	Total
		Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Bond/ Debenture Redemption Reserve	General Reserve	Retained earnings*		
Balance as at April 1, 2017	**24.31**	**5.69**	**997.59**	**48,876.99**	**1,218.97**	**16,801.48**	**27,097.59**	**(36.22)**	**94,986.40**
Profit for the year	-	-	-	-	-	-	(52,640.37)	-	(52,640.37)
Other comprehensive income for the year	-	-	-	-	-	-	20.49	(3,976.77)	(3,956.28)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(52,619.88)**	**(3,976.77)**	**(56,596.65)**
Deemed equity contribution to promoters	-	-	-	-	-	-	37.09	-	37.09
Transferred to/ from retained earnings	-	-	-	-	3.86	-	(3.86)	-	-
Balance as at March 31, 2018	**24.31**	**5.69**	**997.59**	**48,876.99**	**1,222.83**	**16,801.48**	**(25,489.06)**	**(4,012.99)**	**38,426.84**
Profit for the year	-	-	-	-	-	-	(67,607.55)	-	(67,607.55)
Other comprehensive income for the year	-	-	-	-	-	-	5.88	(528.17)	(522.29)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(67,601.67)**	**(528.17)**	**(68,129.84)**
Balance as at March 31, 2019	**24.31**	**5.69**	**997.59**	**48,876.99**	**1,222.83**	**16,801.48**	**(93,090.73)**	**(4,541.16)**	**(29,703.00)**

*Includes fair valuation impact of Land and Building ₹ 13,266.62 Million for March, 2019 and ₹ 13,876.67 Million in March, 2018. Such amounts are not available for distribution as dividend.

As per our report of even date
For S Z DESHMUKH & CO.
Chartered Accountants

D. U. KADAM
Partner
ICAI Membership No: 125886
Place : Mumbai
Date : November 27, 2019

RAJNEESH GUPTA
Chief Financial Officer

SAMRIDHI KUMARI
Company Secretary
Membership No. ACS 54714

For and behalf of the Board
V. N. DHOOT
Managing Director & CEO
DIN 00092450

S. S. DAYAMA
Director
DIN 00217692

Notes to financial statements for the year ended March 31, 2019 (Contd.)

Note 1

Significant accounting policies

1.1 Reporting entity

Videocon Industries Limited is a company domiciled in India,with its registered office situated at 14 KM Stone, Village Chittegaon, Taluka Paithan - Aurangabad, Pincode 431105. The Company has been incorporated under the provisions of Indian Companies Act. The entity is primarily involved in manufacturing and trading of consumer durables and extraction of crude oil and natural gas.

1.2 Basis of preparation

A. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

The standalone financial statements of the Company for the year ended March 31, 2019 were approved for issue in accordance with the resolution of the Board of Directors on November 27, 2019.

B. Functional and presentation currency

These financial statements are presented in Indian Rupess (INR), which is also the entity's functional currency. All amounts have been rounded off to the nearest millions unless otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);

- Net defined benefit (asset) / liability – fair value of plan assets less present value of defined benefit obligations.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

D. Key estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

Judgements

Infromation about judgements made in applying acounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

Useful lives of property, plant and equipment and intangible assets.

Assumptions and estimation uncertainities

Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Measurement of defined benefit obligations: key actuarial assumptions;

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Fair value of financial assets and liabilities and investments.

E. Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for both financial and non-financial instruments.

The Company has an established control framework with respect to the measurement of fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The management regularly reviews significant unobservable inputs and valuation adjustments.

If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy,then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The entity recognises certain assets at fair value and further information is included in the relevant notes.

F. Current and non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realised within twelve months after the Balance Sheet date; or

d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months after the Balance Sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in, the entity's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within twelve months after the Balance Sheet date; or

d) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months after the Balance Sheet date.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

1.3 Significant accounting policies

A. Financial assets

i) Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

ii) Classification and subsequent measurement

Financial assets are subsequently classified and measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Management determines the classification of its financial assets at the time of initial recognition or, where applicable, at the time of reclassification. Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

iii) Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

a) Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

b) Measured at fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'Other Income' in the Statement of Profit and Loss.

c) Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss. In addition, the Company may, at initial recognition, irrevocably designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

iv) Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

v) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset and associated liability for any amounts it may have to pay.

vi) Impairment of Financial Asset

Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security deposit collected etc. and expectations about future cash flows.

Notes to financial statements for the year ended March 31, 2019 (Contd.)

B. Financial liabilities

i) Initial recognition, measurement and classification

Financial liabilities are classified as either held at a) fair value through profit or loss, or b) at amortised cost. Management determines the classification of its financial liabilities at the time of initial recognition or, where applicable, at the time of reclassification. The classification is done in accordance with the substance of the contractual arrangement and the definition of a financial liability and an equity instruments.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities at amortised cost includes loan and borrowings, interest accrued but not due on borrowings, trade and other payables. Such financial liabilities are recognised initially at fair value minus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

ii) Financial guarantee contracts

The Company has elected to account all its financial guarantee contracts as financial instruments as specified in Ind AS 109 on Financial Instruments. The company recognises the commission income on such financial guarantees and accounts for the same in Profit and Loss account over the tenure of the financial guarantee.

iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

C. Property, Plant and Equipment

i) Recognition and measurement

Items of property, plant and equipment (PPE) are measured at original cost of acquisition, net of tax / duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. If signifacnt parts of PPE have different useful lives, then they are accounted for as seperate items (major comopnents) of PPE.

Plant and Equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as “Capital work-in-progress”. Capital work in progress is carried at cost, comprising of direct cost, attributable interest and related incidental expenditure.

Advances paid towards the acquisition of PPE outstanding at each reporting date are classified as capital advances under Other Non-Current Assets.

PPE are eliminated from financial statement on disposal and gains or losses arising from disposal are recognised in the statement of Profit and Loss in the year of occurrence.

ii) Depreciation

The Company provides depreciation on fixed assets held in India, to the extent of depreciable amount, on written down value method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013, except, a) on Fixed Assets of Consumer Electronics Divisions other than Glass Shell Division and; b) on office buildings acquired after 1st April, 2000, on which depreciation is provided on straight line method based on useful life of the assets as prescribed in the said Schedule. Depreciation on fixed assets held outside India is provided on straight line method based on useful life of the assets as prescribed in the aforesaid Schedule. Producing Properties are depleted using the "Unit of Production Method". The rate of depletion is computed in proportion of oil and gas production achieved vis-a-vis proved reserves. Leasehold Land is amortised over the period of lease. Assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.

The estimated useful life of items of property, plant and equipment for the current and comparitive period are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Buildings	30	30
Plant and Machinery	15	15
Furnace	10	10
Furnitures and Fixtures	10	10
Computers	3	3
Electrical Installation	10	10
Office Equipments	5	5
Vehicles	10	10

Leasehold land and Leasehold Improvements is amortised over the period of lease.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate

D. Intangible assets

i) Recognition and measurement

Intangible assets are recognised when it is probable that future economic benefits that are attributable to concerned assets will flow to the Company and the cost of the assets can be measured reliably.

Intangible assets are initially measured at cost and are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

iii) Amortisation

Intangible assets are amortised using the straight-line method over a period of five years.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iv) **Expenditure on research and development**

Revenue expenditure pertaining to research and development is charged to revenue under the respective heads of account in the period in which it is incurred. Capital expenditure, if any, on research and development is shown as an addition to fixed assets under the respective heads.

E. **Joint Ventures for Oil and Gas Fields**

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

F. **Exploration, Development Costs and Producing Properties**

Pre-acquisition costs:

Expenditure incurred before obtaining the right(s) to explore, develop and produce oil and gas are expensed as and when incurred.

Exploration stage:

Acquisition cost relating to projects under exploration are initially accounted as "Intangible assets under development". The expenses on oil and gas assets that is classified as intangible include:

- acquired rights to explore
- exploratory drilling costs

Cost of Survey and prospecting activities conducted in the search of oil and gas are expensed as exploration cost in the year in which these are incurred If the project is not viable based upon technical feasibility and commercial viability study, then all costs relating to Exploratory Wells is expensed in the year when determined to be dry. If the project is proved to be viable, then all costs relating to drilling of Exploratory Wells shall be continued to be presented as "Intangible Assets under Development".

Development stage:

Acquisition cost relating to projects under development stage are presented as "Capital work-in-progress".

G. **Abandonment Costs**

Liability for abandonment costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost.The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

H. **Investments in Subsidiaries, Associates and Joint Ventures:**

Investments in subsidiaries, associates and joint ventures are carried at FVOCI.

I. **Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined using the weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

J. **Impairment of non-financial assets**

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated to the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation oramortisation, if no impairment loss had been recognised.

K. **Revenue**

Effective April 1, 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. April 1, 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

a) Revenue from sale of goods is recognised when significant risks and rewards of ownership in the goods are transferred to the buyer. The Company recognizes revenues on the sale of products, net of returns, discounts, sales incentives/rebate, amounts collected on behalf of third parties (such as sales tax) and payments or other consideration given to the customer that has impacted the pricing of the transaction.

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

Notes to financial statements for the year ended March 31, 2019 (Contd.)

L. Recognition of dividend income, interest income or expense

Dividend income from investments is recognised in profit and loss on the date on which the Company's right to receive payment is established.

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the EIR the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions, call and similar options). The expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition.

M. Foreign currency transactions

Transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences are recognised in profit or loss.

N. Employee benefits

i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

ii) Provident Fund - Defined Contribution Plan

The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

iii) Gratuity - Defined Benefit Plan

The Company provides for gratuity to all the eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or termination of employment for an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs on completion of five years of service.

Liability in respect of gratuity is determined using the projected unit credit method with actuarial valuations as on the Balance Sheet date and gains/losses are recognised immediately in the Other Comprehensive Income.Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv) Leave Encashment

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

O. Provisions (other than for employee benefits)

i) Provisions are recognized when the Company has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

ii) Warranties

Provision for the estimated liability in respect of warranty on sale of consumer electronics and home appliances products is made in the year in which the revenues are recognised, based on technical evaluation and past experience.Warranty provision is accounted as current and non current provision. Non current provision is discounted to its present value and the subsequent unwinging effect is passed through Profit and Loss account under Finance Cost.

P. Contingent liabilities and contingent assets

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

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

Contingent assets are not recognised in the financial statements.

Q. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

Leased Assets:

Assets held by the Company under leases that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's Standalone Ind AS Financial Statements.

Lease payments:

Payments made under operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the term of the lease unless such payments are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, such increases are recognised in the years in which such benefits accrue.

R. Income Tax

Income tax expense comprises current and deferred tax and is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in OCI.

i) Current Tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit / (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expenses that are taxable or deductible in other years & items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- indexation benefit in relation to investments in subsidiaries, given that the Company does not have any intentions to dispose such investments in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss.

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

S. Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of a qualifying asset which necessarily take at substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

T. Translation of the financial statements of foreign branch

i) Revenue items are translated at average rates.

ii) Opening and closing inventories are translated at the rate prevalent at the commencement and close of the accounting year, respectively.

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

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

U. Government Grant

Grants are recognised when there is reasonable assurance that the grant will be received and conditions attached to them are complied with. Grants related to depreciable assets are treated as deferred income, which is recognised in the Statement of Profit and Loss over the period of useful life of the assets and in the proportions in which depreciation on related assets is charged.

V. Premium on Redemption of Bonds/Debentures

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

W. Share Issue Expenses

Share issue expenses are written off to Securities Premium Account.

X. Earnings per share

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the

Notes to financial statements for the year ended March 31, 2019 (Contd.)

equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has no potentially dilutive equity shares.

Y. Excise and Custom Duty

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

Z. CENVAT/Value Added Tax

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

AA. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, bank balances and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

AB. Recent Accounting Pronouncements - Standards issued but not yet effective:

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019 and Companies (Indian Accounting Standards) (Second Amendment) Rules, 2019 notifying Ind AS 116 – 'Leases' and making amendments to various other Ind AS standards viz. Ind AS 12 – 'Income Taxes', Ind AS 19 – 'Employee benefits', Ind AS 23 – 'Borrowing Cost', Ind AS 28 – 'Investments in Associates and Joint Ventures', Ind AS 111 – 'Joint Arrangements', Ind AS 103 – 'Business Combinations' and Ind AS 109 – 'Financial Instruments'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB). The amendments are effective from accounting periods beginning from April 1, 2019.

Ind AS 116 – 'Leases':

This standard will supersede Ind AS 17 – 'Leases'. It abolishes for lessees the previous classification of leasing agreements as either operating or finance leases. Instead, Ind AS 116 introduces a single lessee accounting model, requiring lessees to recognise assets for right to use assets and lease liability representing its obligation to make lease payments. This means that leases which were previously not reported in the Balance Sheet will have to be reported in subsequent reporting periods. The depreciation expense will include amortisation of right to use asset and finance costs will include interest expense on lease liability. Ind AS 116 also provides exception from recognition of right to use asset and lease liability where lease term is less than 12 months or leases for which underlying asset is of low value. In such cases, lease payments are recognised as an expense over lease term either on straight-line basis unless another systematic basis is representative of time pattern of the user's benefit.

The Company does not expect any significant impact of the amendment on its financial statements.

Amendments to Ind AS 12 – 'Income Taxes':

"The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Further, the amendment to Appendix C specifies that when an entity is uncertain how tax laws applies to a particular transaction or circumstance until the relevant tax authorities or a court takes a decision in future and it is not probable that taxation authorities may accept entities tax position then entity is required to estimate effect of such uncertain position on income tax and deferred tax. The Company does not expect any significant impact of the amendment on its financial statements."

Amendment to Ind AS 19 – 'Employee Benefits':

The amendment clarifies that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendment has been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. There is no impact of the amendment on the Company's financial statements.

Amendment to Ind AS 23 – 'Borrowing Cost':

The amendment clarifies borrowing costs related to specific borrowings that remain outstanding after the related qualifying asset is ready for intended use or sale should subsequently be considered as part of general borrowing costs of an entity. The amendment does not have significant impact on the Company's financial statements.

Amendment to Ind AS 28 – 'Investments in Associates and Joint Ventures':

The amendment specifies that entity shall apply Ind AS 109 before applying Ind AS 28 to long term interests in associates and joint ventures that form part of net investment in associate and joint venture but to which equity method is not applied.

The amendment does not have significant impact on Company's financial statements.

Amendment to Ind AS 103 – 'Business Combination and Ind AS 111 – Joint Arrangements':

The amendment to Ind AS 103 relating to re-measurement clarifies that when an entity obtains control of a business that is a joint operation, then the entity considers such an acquisition as a business combination achieved in stages and accounts for it accordingly i.e., it re-measures previously held interests in that business.

The amendment to Ind AS 111 clarifies that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.

The Company will apply the pronouncement if and when it obtains control/joint control of a business that is a joint operation.

Amendment to Ind AS 109 – 'Financial instruments':

The amendment relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The amendment does not have any significant impact on the Company's financial statements.

Notes to financial statements for the year ended March 31, 2019 (Contd.)

Note 2

Property, Plant and Equipment

(₹ in Million)

Particulars	Freehold Land	Leasehold Land	Building	Leasehold Improvements	Plant and Machinery	Furnace	Electrical Installation	Computers	Furniture and Fixtures	Office Equipments	Vehicles	Total
Cost as at April 1, 2017	11,577.26	1,848.04	12,030.66	39.33	114,921.06	1,377.39	178.83	288.07	220.71	361.74	1,288.70	144,131.79
Additions	-	-	-	-	84.36	-	-	1.01	2.12	2.80	-	90.29
Disposals	-	1.50	-	-	26.49	139.90	0.60	21.21	15.26	12.96	238.98	456.90
Cost as at March 31, 2018 (A)	**11,577.26**	**1,846.54**	**12,030.66**	**39.33**	**114,978.93**	**1,237.49**	**178.23**	**267.87**	**207.57**	**351.58**	**1,049.72**	**143,765.18**
Accumulated depreciation as at April 1, 2017	-	28.79	2,356.91	39.15	69,431.03	1,364.29	159.39	269.16	193.83	332.44	983.91	75,158.90
Depreciation for the year	-	23.04	702.81	-	7,239.19	-	3.50	7.72	5.89	5.43	80.98	8,068.56
On Disposals	-	0.05	-	-	18.73	138.50	0.59	20.89	14.78	12.60	210.46	416.60
Accumulated depreciation as at March 31, 2018 (B)	**-**	**51.78**	**3,059.72**	**39.15**	**76,651.49**	**1,225.79**	**162.30**	**255.99**	**184.94**	**325.27**	**854.43**	**82,810.86**
Net carrying amount as at March 31, 2018 (A) - (B)	**11,577.26**	**1,794.76**	**8,970.94**	**0.18**	**38,327.44**	**11.70**	**15.93**	**11.88**	**22.63**	**26.31**	**195.29**	**60,954.32**
Cost as at April 1, 2018	11,577.26	1,846.54	12,030.66	39.33	114,978.93	1,237.49	178.23	267.87	207.57	351.58	1,049.72	143,765.18
Additions	-	-	-	-	24.83	-	-	0.21	0.25	0.89	-	26.18
Disposals	1.56	-	1.82	-	-	-	-	0.02	3.75	0.60	129.24	136.99
Cost as at March 31, 2019 (A)	**11,575.70**	**1,846.54**	**12,028.84**	**39.33**	**115,003.76**	**1,237.49**	**178.23**	**268.06**	**204.07**	**351.87**	**920.48**	**143,654.37**
Accumulated depreciation as at April 1, 2018	-	51.78	3,059.72	39.15	76,651.49	1,225.79	162.30	255.99	184.94	325.27	854.43	82,810.86
Depreciation for the year	-	23.04	699.26	-	4,397.82	-	2.82	6.82	5.39	4.89	54.02	5,194.06
On Disposals	-	-	0.80	-	-	-	-	0.02	3.65	0.58	88.22	93.27
Accumulated depreciation as at March 31, 2019 (B)	**-**	**74.82**	**3,758.18**	**39.15**	**81,049.31**	**1,225.79**	**165.12**	**262.79**	**186.68**	**329.58**	**820.23**	**87,911.65**
Net carrying amount as at March 31, 2019 (A) - (B)	**11,575.70**	**1,771.72**	**8,270.66**	**0.18**	**33,954.45**	**11.70**	**13.11**	**5.27**	**17.39**	**22.29**	**100.25**	**55,742.72**

Note:

a) The Company has decided to reflect fair value for Land (leasehold and free hold) and Building as the deemed cost as per Ind AS 101. The fair valuation impact for January 1, 2016 is ₹ 11,418.25 Million for freehold land, ₹ 1,814.07 Million for leasehold land and ₹ 8,249.73 Million for Buidling. The numbers are gross and do not include tax effect.

b) Net carrying value of vehicles amounting to ₹ 3.61 Million has been re-possessed by the lender due to non payment of loan instalment.

Note 3

Other Intangible Assets

(₹ in Million)

Particulars	Computer Software	Producing Properties	Total
Cost as at April 1, 2017	16.84	181.47	198.31
Additions	0.17	22.51	22.68
Disposals/ adjustments	4.82	-	4.82
Cost as at March 31, 2018 (A)	**12.19**	**203.98**	**216.17**
Accumulated depreciation as at April 1, 2017	6.51	110.91	117.42
Depreciation for the year	3.00	76.90	79.90
On Disposals	4.82	-	4.82
Accumulated depreciation as at March 31, 2018 (B)	**4.69**	**187.81**	**192.50**
Net carrying amount as at March 31, 2018 (A) - (B)	**7.50**	**16.17**	**23.67**
Cost as at April 1, 2018	12.19	203.98	216.17
Additions	0.02	42.54	42.56
Disposals/ adjustments	-	-	-
Cost as at March 31, 2019 (A)	**12.21**	**246.52**	**258.73**
Accumulated depreciation as at April 1, 2018	4.69	187.81	192.50
Depreciation for the year	2.33	58.71	61.04
On Disposals	-	-	-
Accumulated depreciation as at March 31, 2019 (B)	**7.02**	**246.52**	**253.54**
Net carrying amount as at March 31, 2019 (A) - (B)	**5.19**	**-**	**5.19**

The Company has availed the deemed cost exemption in relation to the intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

Notes to financial statements for the year ended March 31, 2019 (Contd.)

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
Note 4		
Financial Assets - Non Current		
Investments		
A) Investments in subsidiaries, joint ventures and associates		
a) Investment in equity shares of subsidiaries		
Unquoted		
Middle East Appliances LLC	-	361.77
Pipavav Energy Private Limited	5,500.00	5,500.00
Prosperous Energy Private Limited	0.10	0.10
Senior Consulting Private Limited	0.11	0.11
Videocon Electronics (Shenzhen) Limited	6.42	6.42
(Chinese name - Weiyoukang Electronic (Shenzhen) Co., Ltd.)		
Videocon Energy Limited	1,000.00	1,000.00
Videocon Global Limited	48.92	48.92
Videocon Hydrocarbon Holdings Limited	92.75	183.27
Electroworld Digital Solutions Limited	64,634.72	64,634.72
Videocon Oil Ventures Limited	9,500.00	9,508.96
Videocon Telecommunications Limited	13,969.66	14,001.20
	-	
b) Investment in equity shares of joint venture and associate		
Unquoted		
Videocon Infinity Infrastructure Private Limited	0.05	0.05
Radium Appliances Private Limited	0.03	0.03
Total (A)	**94,752.76**	**95,245.55**
B) Other investments		
a) Quoted		
Investments measured at fair value through other comprehensive income		
Investments in Equity Instruments	61.78	104.66
(Refer Note No. 52)		
b) *Unquoted*		
Investments measured at fair value through other comprehensive income		
Investments in Equity Instruments	487.09	580.16
Investments measured at fair value through profit or loss		
Investments in Co-operative bank	0.64	0.64
Investments measured at amortised cost		
Investments in Redeemable Preference Shares	1,055.18	1,055.18
Total (B)	**1,604.69**	**1,740.64**
Total (A+B)	**96,357.45**	**96,986.19**
Aggregate amount of Quoted Investments	61.78	104.66
Aggregate Market value of Quoted Investments	61.78	104.66
Aggregate amount of Unquoted Investments	96,295.67	96,881.53
Note 5		
Financial Assets - Non Current		
Loans		
(Unsecured, considered good, unless otherwise specified)		
Sundry deposits	437.23	248.99
Loans and advances to related parties (Refer Note 46)	12,967.54	13,794.42
Loans and advances to others	92,101.32	92,017.95
	105,506.09	**106,061.36**

Notes to financial statements for the year ended March 31, 2019 (Contd.)

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
Note 6		
Financial Assets - Non Current		
Others		
Bank balances other than (10a) below		
Fixed deposits with maturity more than 12 months	5.74	39.25
(Held as margin money for credit facilities and other commitments)		
	5.74	**39.25**
Note 7		
Other non-current assets		
Capital advances	2.44	1.43
Balance with government authorities	426.86	439.32
	429.30	**440.75**
Note 8		
Inventories		
(valued at lower of cost and net realisable value)		
Raw materials including consumables, stores and spares	996.55	8,179.31
Materials in transit and in bonded warehouse	474.67	702.39
Work-in-process	174.26	1,294.92
Finished goods and stock in trade	593.18	3,465.76
Drilling and production materials	394.80	375.48
Crude oil	77.61	59.23
	2,711.07	**14,077.09**
Note 9		
Financial Assets - Current		
Trade receivables		
Unsecured considered good	9,957.55	7,850.52
Doubtful	3,572.92	3,573.25
	13,530.47	11,423.77
Less: Provision for doubtful debts	3,572.92	3,573.25
	9,957.55	**7,850.52**
Note 10a		
Financial Assets - Current		
Cash and cash equivalents		
Cash on hand	0.91	3.54
Cheques/drafts on hand/in transit	111.80	111.96
Balance with banks		
- In current accounts	297.16	2,132.14
- Fixed deposits with original maturity less than 3 months	698.99	453.94
	1,108.86	**2,701.58**
Note 10b		
Financial Assets - Current		
Bank balances other than cash and cash equivalents		
In dividend warrant accounts	6.21	6.21
In fixed deposits - Earmarked towards site restoration costs	1,485.36	1,388.50
In fixed deposits - Maturity of more than 3 months and less than 12 months		
Held as margin money for credit facilities and other commitments	113.72	190.94
	1,605.29	**1,585.65**

Notes to financial statements for the year ended March 31, 2019 (Contd.)

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
Note 11		
Financial Assets - Current		
Loans		
(Unsecured, considered good, unless otherwise specified)		
Sundry deposits	2.59	4.74
Loans and advances to related parties (Refer Note 46)	18.83	22.08
Loans and advances to others	28,880.97	41,920.28
	28,902.39	**41,947.10**
Note 12		
Financial Assets - Current		
Others		
Insurance claim receivable	-	2.64
Other receivables from related parties	747.54	662.99
Other receivables	88.62	72.26
	836.16	**737.89**
Note 13		
Other current assets		
Balance with government authorities	890.79	631.67
	890.79	**631.67**

Note 14

Share capital

a) Details of the authorised, issued, subscribed and paid-up share capital as below:

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
Authorised Capital		
1,300,000,000 (March 31, 2018: 1,300,000,000) equity shares of the par value of ₹ 10/- each.	13,000.00	13,000.00
20,000,000 (March 31, 2018: 20,000,000) redeemable preference shares of ₹ 100/- each.	2,000.00	2,000.00
	15,000.00	**15,000.00**
Issued, Subscribed and fully Paid up		
334,458,875 (March 31, 2018: 334,458,875) equity shares of ₹ 10/- each fully paid up.	3,344.59	3,344.59
	3,344.59	**3,344.59**

b) Reconciliation of the number of shares outstanding at the beginning and end of the year:

	As at March 31, 2019		As at March 31, 2018	
	Number	₹ in Million	Number	₹ in Million
Number of equity shares at the beginning of the year	334,458,875	3,344.59	334,458,875	3,344.59
Add: Shares issued during the year	-	-	-	-
Number of equity shares at the end of the year	**334,458,875**	**3,344.59**	**334,458,875**	**3,344.59**

c) Particulars of shareholders holding more than 5% of shares held:

Name of Shareholder's	As at March 31, 2019		As at March 31, 2018	
	No of Equity shares held	% of Holding	No of Equity shares held	% of Holding
Electroparts India Private Limited	26,232,612	7.84	20,517,327	6.13
(including amalgamated companies with Electroparts)				
Videocon Realty and Infrastructures Limited	49,629,095	14.84	51,084,195	15.27
Deutsche Bank Trust Company Americas	38,834,979	11.61	38,834,979	11.61
(As depository of Global Deposits Receipts)				

Notes to financial statements for the year ended March 31, 2019 (Contd.)

d) Rights, Preferences and restrictions attached to equity shares.

The Company has a single class of equity shares referred to as equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to equal right of voting and dividend. The Company has not declared any dividend during the year.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
Note 15		
Other equity		
Capital Reserve	5.69	5.69
Capital Redemption Reserve	997.59	997.59
Securities Premium Account	48,876.99	48,876.99
Bond/Debenture Redemption Reserve	1,222.83	1,222.83
Equity component of compound financial instrument	24.31	24.31
Equity instruments through OCI	(4,541.16)	(4,012.99)
General Reserve	16,801.48	16,801.48
Retained Earnings*	(93,090.73)	(25,489.06)
	(29,703.00)	**38,426.84**

*Includes fair valuation impact of Land and Building ₹ 13,266.62 Million for March 31, 2019 and ₹ 13,876.67 Million in March 31, 2018. Such amounts are not available for distribution as dividend.

Capital Reserve

Capital reserve represents subsidy received, reserves transferred on account of amalgamation.

Capital Redemption Reserve

Capital Redemption reserve represents amount set aside by the Company at the time of redemption of capital.

Securities Premium Account

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the provisions of the Companies Act.

Bond/Debenture Redemption Reserve

The Company had issued Foreign currency convertible bonds and as per the provisions of the Companies Act, 2013, is required to create debenture redemption reserve out of the profits of the Company available for the payment of dividend.

Equity component of compound financial instrument

The account represents the equity component of Foreign Currency Convertible bonds calculated as per Ind AS 109.

Equity instruments through OCI

This account represents the fair value changes in the investments calculated at every reporting date as per Ind AS 109.

General Reserve

The Company has transferred a portion of the net profit of the Company to general reserve pursuant to the earlier provisions of Companies Act 1956.

Retained Earnings

This account includes the amount of profit and loss account transferred to the equity.

Note: Refer statement of changes in equity for details of movements in the balances of each items of Reserves and Surplus and OCI under the head "Other Equity".

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
Note 16		
Provisions		
Provision for gratuity (Refer Note 35)	178.42	177.93
Provision for warranty and maintenance expenses	138.28	88.59
Provision for abandonment and site restoration costs	1,527.58	1,407.70
	1,844.28	**1,674.22**
Note 17		
Deferred tax liabilities (net)		
Deferred tax liabilities (net)	1,386.18	2,889.56
	1,386.18	**2,889.56**
The deferred tax asset on unabsorbed depreciation and business losses has been recognised only to the extent of deferred tax liability (₹ 1,386.18 Million) due to uncertainity of future profits.		

Notes to financial statements for the year ended March 31, 2019 (Contd.)

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
Note 18		
Financial Liabilities - Current		
Borrowings		
a) Secured		
Loans from banks	237,121.52	203,023.79
Loans from financial institutions	11,060.90	9,508.62
Loans from others	15.83	13.39
Foreign currency convertible bonds	5,457.02	4,948.44
Working capital loans from banks	19,340.79	16,528.35
Vehicle loan from banks	4.63	8.84
b) Unsecured		
Loans from banks	12,843.66	11,008.08
	285,844.35	**245,039.51**

Details of borrowings:

Particulars	₹ Million		Carrying rate of interest		Other Details
	March 31, 2019	**March 31, 2018**	**March 31, 2019**	**March 31, 2018**	
Principal amount of loan outstanding					
Secured					
Term loans from banks/financial institutions	179,654.88	180,097.23	12.4% to 14.4%	12.4% to 14.4%	Refer note (a)
Vehicle loan from banks	4.26	8.84	9.5% to 13.0%	9.5% to 13.0%	Refer note (b)
Loans from others	13.39	13.39	12.0%	12.0%	Refer note (c)
Foreign currency convertible bonds	5,201.68	4,891.32	4.3%	4.3%	Refer note (d)
Working capital loans from banks	16,583.72	15,327.52	12.7% to 15.8%	12.7% to 15.8%	Refer note (e)
Unsecured					
Loans from banks	9,250.00	9,250.00	12% to 13.65%	12% to 13.65%	Refer note (f)
Total Principal amount of loan outstanding	210,707.93	209,588.30			
Add: Interest accrued and due/accrued but not due	75,279.10	35,698.34			
Less: Ind AS reclassification/adjustments	142.68	247.13			
	285,844.35	**245,039.51**			

a) Details relating to term loans from banks and financial institutions

Due to default in repayment of the secured loans from the banks and financial institutions, they have recalled the entire loans outstanding. Accordingly, these have been included under short term borrowings.

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

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

Loans amounting to ₹ 163,122.93 Million (As at March 31, 2018 ₹ 163,122.93 Million) are secured by first pari-passu charge on all present and future tangible/intangible assets (excluding the Identified Properties) of each of the Borrower, first pari-passu charge on the Trust and Retention Accounts of the Borrowers, second pari-passu charge on Identified Assets of Videocon Hydrocarbon Holdings Limited's (VHHL) subsidiaries through pledge of entire shareholding of VHHL in these overseas subsidiaries, second charge on pledge of 100% shares of Videocon Oil Ventures Limited and VHHL, second pari-passu charge on VHHL's share of cash flows from Identified Assets and second pari-passucharge over current assets of each of the Borrowers. The Rupee Term Loans are also secured by first ranking pledge over specified numbers of equity shares of Videocon Industries Limited, Trend Electronics Limited and Value Industries Limited held by the promoters, the personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot, Mr. Rajkumar N. Dhoot and first pari-passu charge on 'Videocon' brand (Also Refer Note 39).

ii) Loans amounting to ₹ 15,031.95 Million (As at March 31, 2018 ₹ 15,474.30 Million) are secured by first pari-passu charge on book debts of consumer electronics and home appliances division which are not charged to bankers for securing working capital loans and first pari-passu charge on equitable mortgage of specified properties owned by the Company and owned by other 6 entities. The loans are further secured by personal guarantee of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot and corporate guarantee of the entities whose properties have been mortgaged.

iii) Loans amounting to ₹ 1,500.00 Million (As at March 31, 2018 ₹ 1,500.00 Million) is secured by mortgage of specified property owned by the Company, negative lien on property owned by other entities and personal guarantee of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

b) Details relating to vehicle loans

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

Vehicle Loan amount includes ₹ 3.58 Million against which the lender bank has re-possessed vehicles having carrying value of ₹ 3.61 Million.

c) Details relating to loans from others

Loans from others amounting to ₹ 13.39 Million (As at March 31, 2018: ₹ 13.39 Million) is secured against surrender value of keyman insurance policy.

d) Details relating to foreign currency convertible bonds

The Company has issued 4.30 per cent foreign currency convertible bonds (Bonds) of US$ 97,200,000 during the year 2015, due on December 31, 2020 (Maturity Date). These Bonds were issued under the exchange offer to the holders of the Bonds of US$ 194,400,000 due on December 16, 2015.

i) The Bonds are convertible at the option of the bondholders into shares, at any time on and after February 9, 2016, up to the close of business on December 21, 2020, at a fixed exchange rate on conversion of ₹ 66.139 per US$ 1.00 and at initial conversion price of ₹ 134.724 per share. The conversion price will be subject to adjustment for, among other things, subdivision or consolidation of shares, bonus issues, dividends, rights issues, distributions and other dilutive events.

ii) The Bonds were redeemable at the option of the holders on June 30, 2016 (Put Option Date). The Company made a partial pre-payment of US$ 22,000,000 on pro-rata basis to all the bondholders on August 3, 2016 in pursuance to the terms of bondholders. Further, the coupon rate was revised to 2.80 per cent payable semi-annually and the put option date was amended to December 30, 2016.

iii) In relation to the Put Option exercised on December 30, 2016, the Company had to enter into Standstill Agreement with the Participating Bondholders under which bondholders agreed standstill till March 31, 2017, on certain terms inter-alia including payment of US$12,000,000 on pro-rata basis to all the bondholders. Subsequently, the Company had to seek approval of the bondholders for re-schedulement of the Bonds by way of extension of put option date to March 31, 2018, subject to satisfaction of certain conditions inter-alia including the approval of Reserve Bank of India. However, the said re-schedulement could not become effective and accordingly it is claimed by the bond holders that the entire FCCBs are due and payable. The Company has termed same being illegal and premature. Accordingly, the amount of foreign currency convertible bonds has been shown under short-term borrowings.

iv) The Bonds were compelled to be secured by way of an exclusive first ranking security interest over 40 percent of the issued equity share capital of Videocon Telecommunications Limited held by the Company and other shareholders, in favour of the Security Trustee; and by an unconditional and irrevocable personal guarantee of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N Dhoot. However it is the case of the company that the put option clause was mentioned in the contract under duress and no amount has yet become due and payable and had filed claim challenging the action of the bondholders in court of London.

e) Details relating to working capital loans from banks

Working capital loans from banks are secured by hypothecation of the Company's stock of raw materials, packing materials, stock-in-process, finished goods, stores and spares, book debts of glass shell division and personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot and Mr. Rajkumar N. Dhoot.

f) Details relating to unsecured loans from banks

Loans amounting to ₹ 9,250.00 Million (As at March 31, 2018 ₹ 9,250.00 Million) is secured by exclusive charge over the land situated at Dist. Rewa, Madhya Pradesh owned by the Subsidiary Company viz. Prosperous Energy Private Limited, stake in PT. Gaung Alam Semesta's coal concession in Indonesia owned by other entities and personal guarantee of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
Note 19		
Financial Liabilities- Current		
Trade payables		
Total outstanding due to micro and small enterprises (Refer Note 42)	129.57	171.77
Total outstanding due to creditors other than micro and small enterprises	11,096.29	12,565.07
	11,225.86	**12,736.84**
Note 20		
Financial Liabilities- Current		
Others		
Bank overdraft as per books	0.02	-

Notes to financial statements for the year ended March 31, 2019 (Contd.)

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
Unclaimed dividend	6.21	6.21
Creditors for capital expenditure	-	4.28
Payable to related parties (Refer Note 46)	25,783.38	25,581.52
Other payables	4,109.78	3,359.27
Deferred guarantee income	-	91.94
	29,899.39	**29,043.22**
Note 21		
Other current liabilities		
Others	554.30	1,102.24
	554.30	**1,102.24**
Note 22		
Provisions		
Provision for gratuity (Refer Note 35)	60.19	40.52
Provision for leave encashment (Refer Note 35)	49.31	50.82
Provision for warranty and maintenance expenses	270.91	457.51
	380.41	**548.85**
Movement of Provision for warranty and maintenance expenses		
At the commencement of the year	546.10	627.63
Provision made during the year	425.60	598.85
Utilisation of Provisions	359.51	639.23
Discounting of non current provision	16.40	41.15
Unused amount reversed during the year	186.60	-
At the end of the year	**409.19**	**546.10**

Provision for warranty and maintenance expenses

A provision is estimated for expected warranty claims in respect of products sold on the basis of a technical evaluation and past experience regarding failure trends of products and costs of rectification and replacement. The costs include expenses to be incurred for repairs, replacement, material cost and servicing. It is expected that this expenditure will be incurred over the contractual warranty period that is usually one year and for certain of cases extended warranty for two to five years.

(₹ in Million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 23		
Revenue from operations		
Sale of products	8,894.26	28,142.80
Income from services	67.23	65.39
Other operating revenue	104.48	190.42
	9,065.97	**28,398.61**
Note 24		
Other income		
Interest income - Interest on investments at amortized cost	192.00	494.93
Income from Investments and Securities Division	379.30	420.35
Exchange rate fluctuation	-	921.74
Profit on sale of fixed assets	1.99	1.76
Insurance claim received	0.53	7.53
Guarantee commision	42.96	56.41
Other non operating income	943.38	3,937.74
	1,560.16	**5,840.46**

Notes to financial statements for the year ended March 31, 2019 (Contd.)

(₹ in Million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 25		
Cost of materials consumed		
Electrical and electronic items	8,786.78	25,222.71
	8,786.78	**25,222.71**
Note 26		
Purchase of stock-in-trade		
Electrical and electronic items	538.89	9,005.84
	538.89	**9,005.84**
Note 27		
Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening inventory		
Finished goods and stock-in-trade	3,524.99	4,413.28
Work-in-process	1,294.92	1,470.15
	4,819.91	**5,883.43**
Closing inventory		
Finished goods and stock-in-trade	670.79	3,524.99
Work-in-process	174.26	1,294.92
	845.05	**4,819.91**
Changes in inventory	**3,974.86**	**1,063.52**
Note 28		
Production and exploration expenses - Oil and Gas		
Production and exploration expenses	780.76	597.19
Royalty	133.40	114.79
Cess	135.57	165.17
Production bonus	23.83	25.99
Government share in profit petroleum	3,124.93	2,454.44
Insurance expenses	11.50	4.07
	4,209.99	**3,361.65**
Note 29		
Employee benefits expenses		
Salary, wages and other benefits	1,100.44	1,970.71
Contribution to provident fund and other funds	65.57	109.90
Staff welfare expenses	21.87	90.16
	1,187.88	**2,170.77**
Note 30		
Finance costs		
Interest expense on financial liabilities measured at amortised cost	37,700.04	28,267.83
Unwinding of discount on warranty provision	16.40	10.37
Unwinding of discount on site restoration provision	32.56	31.82
	37,749.00	**28,310.02**

Notes to financial statements for the year ended March 31, 2019 (Contd.)

(₹ in Million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 31		
Other expenses		
Power, fuel and water	94.89	157.01
Banking and other finance charges	1,893.62	519.61
Freight and forwarding	98.40	582.93
Vehicle running expenses	106.30	241.12
Rent	30.03	108.76
Rates and taxes	46.65	106.35
Repairs to building	0.07	0.91
Repairs to plant and machinery	7.44	11.88
Other repairs and maintenance	18.44	59.00
Insurance	20.02	34.22
Advertisement and publicity	119.52	429.15
Sales promotion expenses	0.90	54.35
Payment to auditors*	6.20	6.32
Directors' sitting fees	-	1.14
Legal and professional charges	112.47	341.73
Royalty	-	117.70
Printing and stationery	2.37	6.00
Warranty and maintenance	219.95	890.91
Provision for doubtful debts	0.03	3,313.38
Exchange Rate Fluctuation	330.22	-
Office and general expenses	796.75	1,437.20
	3,904.27	**8,419.67**
*Payment to Auditors:		
a) Statutory Audit Fees	4.80	4.80
b) Tax Audit Fees	1.40	1.40
c) Out of Pocket Expenses	-	0.12
	6.20	**6.32**
Note 32		
Exceptional items		
Payment made towards settlement of obligation (Refer Note 'a')	-	1,434.31
Expenses related to aborted project (Refer Note 'b')	-	4,765.83
Loans and advances written off (Refer Note 'c')	14,133.45	-
	14,133.45	**6,200.14**

Note: Exceptional items represents:

a) Payment made towards settlement of obligation under patronage letter / guarantee given to Intesa Sanpaolo S.p.A., an Italian bank for financial assistance given to the then one level step down subsidiary.

b) Infructuous project expenses relating to project aborted by the Company ₹ 4,765.83 Million.

c) Loans and advances written off represents debit balances of about 40 vendors on whom claims were made towards rejection of supplies, shortages and inferior quality of materials supplied. These suppliers have refused to accept these claims of the Company and have been written off during the year.

Notes to financial statements for the year ended March 31, 2019 (Contd.)

(₹ in Million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 33		
Income taxes		
a) Amounts recognised in statement of profit and loss		
Current tax expense		
Current year	-	-
	-	-
Deferred tax expense		
Origination and reversal of temporary differences	(1,506.54)	(5,761.18)
	(1,506.54)	**(5,761.18)**
Tax expense for the year	**(1,506.54)**	**(5,761.18)**
b) Amounts recognised in other comprehensive income		
Deferred tax on remeasurements of the defined benefit plans	3.16	11.46
	3.16	**11.46**

Deferred tax assets and liabilities are attributable to the following:

(₹ in Million)

Particulars	Net deferred tax asset/ (liabilities)	
	March 31, 2019	March 31, 2018
Property, plant and equipment	(9,425.11)	(11,505.84)
Expenses allowable in future	3,955.20	5,869.89
Unabsorbed depreciation and losses	4,134.50	2,928.97
Fair valuation of investments through OCI	-	(47.42)
Borrowing Costs - EIR	(23.85)	(45.78)
Site Restoration Liability	(58.31)	(55.03)
FCCB	14.56	-
Warranty Provision	-	(18.26)
Corporate Guarantee	-	(34.39)
Others	16.83	18.30
Total	**(1,386.18)**	**(2,889.56)**

Movement in Temporary differences:

(₹ in Million)

Particulars	Balance as at April 1, 2017	Recognised in Profit and Loss during 2017-18	Recognised in OCI during 2017-18	Balance as at March 31, 2018	Recognised in Profit and Loss during 2018-19	Recognised in OCI during 2018-19	Balance as at March 31, 2019
Property, Plant and Equipment	(12,897.64)	1,391.80	-	(11,505.84)	2,080.73	-	(9,425.11)
Expenses allowable in future	2,967.02	2,902.87	-	5,869.89	(1,914.69)	-	3,955.20
Unabsorbed depreciation and losses	1,224.86	1,704.11	-	2,928.97	1,205.53	-	4,134.50
Fair valuation of investments through OCI	(47.01)	-	(0.41)	(47.42)	47.42	-	-
Borrowing Costs - EIR	(71.97)	26.19	-	(45.78)	21.93	-	(23.85)
Site Restoration Liability	45.62	(100.65)	-	(55.03)	(3.28)	-	(58.31)
FCCB	0.07	(0.07)	-	-	14.56	-	14.56
MAT credit entitlement	73.05	(73.05)	-	-	-	-	-
Remeasurements of defined benefit obligation	-	11.05	(11.05)	-	3.16	(3.16)	-
Warranty provision	(4.02)	(14.24)	-	(18.26)	18.26	-	-
Corporate guarantee	50.82	(85.21)	-	(34.39)	34.39	-	-
Others	19.92	(1.62)	-	18.30	(1.47)	-	16.83
Total	**(8,639.28)**	**5,761.18**	**(11.46)**	**(2,889.56)**	**1,506.54**	**(3.16)**	**(1,386.18)**

Notes to financial statements for the year ended March 31, 2019 (Contd.)

Note 34

Earnings per share (EPS)

Basic EPS calculated by dividing the Net profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of Equity shares outstanding during the year and the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(₹ in Million)

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
Basic and diluted earnings per share for ordinary shareholders			
i.	Profit/(Loss) attributable to equity holders (₹ in Million)	(67,607.55)	(52,640.37)
ii.	Weighted average number of equity shares	334,458,875	334,458,875
iii.	Basic and diluted earnings per share (₹)	(202.14)	(157.39)
iv.	Nominal value of equity share (₹)	10.00	10.00

Note

1. Weighted average number of shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
2. The effect of conversion option of FCCBs is anti dilutive in nature.

Note 35

Employee benefits

a) Defined contribution plan

The contributions paid/payable to Provident Fund, Employees State Insurance Scheme, Employees Pension Schemes, 1995 and other funds, are determined under the relevant approved schemes and/or statutes and are recognised as expense in the Statement of Profit and Loss during the period in which the employee renders the related service. There are no further obligations other than the contributions payable to the approved trusts/appropriate authorities.

The Company has recognised the following amounts in the statement of profit and loss for the year.

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Employer's contribution to Provident Fund and ESIC	65.57	109.90
	65.57	**109.90**

b) Defined benefit plan

Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity was carried out as at March 31, 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Defined benefit obligation	258.35	281.48
Less: Fair value of plan assets	19.74	63.02
Net defined benefit obligations	**238.61**	**218.46**

Notes to financial statements for the year ended March 31, 2019 (Contd.)

Fair value of the plan assets and present value of the defined benefit liabilities:

The amount included in the Balance sheet arising from the Company's obligations and plan assets in respect of its defined benefit schemes is as follows:

(₹ in Million)

	Particulars	March 31, 2019	March 31, 2018
i)	**Movement in defined benefit obligations:**		
	At the beginning of the year	281.48	331.20
	Liabilities assumed on business combination	0.53	1.22
	Recognised in profit or loss		
	Prior Year Charge	-	-
	Current service cost	18.33	30.89
	Interest cost	18.94	21.25
	Past Service Cost	(2.29)	8.28
	Recognised in other comprehensive income		
	Actuarial (gains)/losses on obligations -	(9.04)	(31.95)
	Benefit paid	(49.60)	(79.41)
	At the end of the year	**258.35**	**281.48**
ii)	**Movement in fair value of plan assets:**		
	At the beginning of the year	63.02	90.53
	Recognised in profit or loss		
	Interest income	3.70	5.52
	Expected Return on Plan Assets	(1.96)	(0.71)
	Recognised in other comprehensive income		
	Actuarial gains/(losses)		
	Due to change in financial assumptions		
	Employer contributions	0.55	3.56
	Benefit paid	(45.57)	(35.88)
	At the end of the year	**19.74**	**63.02**
iii)	**Recognised in profit or loss**		
	Current service cost	18.33	30.89
	Interest expense	18.94	21.25
	Interest income	3.70	5.52
	For the year	**33.57**	**46.62**
iv)	**Recognised in Other Comprehensive Income**		
	Actuarial (gains)/losses on obligations	(9.04)	(31.95)
	Actuarial (gains)/losses on plan assets	-	-
	For the year	**(9.04)**	**(31.95)**

v) Plan assets for this Fund are insurance funds. (100%)

vi) The principal actuarial assumptions used for estimating the Company's benefit obligations are set out below (on a weighted average basis):

Particulars	March 31, 2019	March 31, 2018
Rate of increase in salaries (%)	5% to 7% per annum	5% per annum
Discount rate (%)	6.95% to 7.75% per annum	7.00% to 7.50% per annum
Emplyee turnover rate	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Notes to financial statements for the year ended March 31, 2019 (Contd.)

vii) Sensitivity of the defined benefit obligation

(₹ in Million)

Particulars	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(251.78)	264.32	(273.82)	289.57
Rate of increase in salaries (0.50% movement)	263.95	(251.98)	289.43	(273.94)
Rate of employee turnover (0.50% movement)	(258.45)	257.29	(282.26)	280.64

The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

viii) Expected contributions to gratuity fund for the year ended March 31, 2020 is ₹ 21.75 million.

ix) The expected future cash flows as at March 31, were as follows:

(₹ in Million)

Particulars	Up to 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
Defined benefit obligations (Gratuity - funded)					
March 31, 2019	21.75	21.85	54.50	108.33	206.43
March 31, 2018	24.43	26.74	59.78	138.67	249.62

Note 36

Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

(₹ in Million)

March 31, 2019	Carrying Amount				Fair Value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current financial assets								
Investments in equity of subsidiaries and joint venture - Unquoted	-	94,752.76	-	94,752.76	-	-	94,752.76	94,752.76
Investments in equity shares other than subsidiaries and joint ventures - Unquoted	-	487.73	-	487.73	-	-	487.73	487.73
Investments in equity shares other than subsidiaries and joint ventures - Quoted	-	61.78	-	61.78	61.78	-	-	61.78
Investments in Preference shares	-	-	1,055.18	1,055.18	-	1,055.18	-	1,055.18
Loans	-	-	105,506.09	105,506.09	-	105,506.09	-	105,506.09
Others	-	-	5.74	5.74	-	5.74	-	5.74
Current financial assets								
Trade receivables	-	-	9,957.55	9,957.55	-	-	-	-
Cash and cash equivalents	-	-	1,108.86	1,108.86	-	-	-	-
Bank balances	-	-	1,605.29	1,605.29	-	-	-	-
Loans	-	-	28,902.39	28,902.39	-	-	-	-
Others	-	-	836.16	836.16	-	-	-	-
	-	**95,302.27**	**148,977.26**	**244,279.53**	**61.78**	**106,567.01**	**95,240.49**	**201,869.28**

Notes to financial statements for the year ended March 31, 2019 (Contd.)

(₹ in Million)

March 31, 2019	Carrying Amount				Fair Value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities								
Current financial liabilities								
Borrowings	-	-	285,844.35	285,844.35	-	-	-	-
Trade payables	-	-	11,225.86	11,225.86	-	-	-	-
Others	-	-	29,899.39	29,899.39	-	-	-	-
	-	**-**	**326,969.60**	**326,969.60**	**-**	**-**	**-**	**-**

(₹ in Million)

March 31, 2018	Carrying Amount				Fair Value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current financial assets								
Investments in equity of subsidiaries and joint venture - Unquoted	-	95,245.55	-	95,245.55	-	-	95,245.55	95,245.55
Investments in equity shares other than subsidiaries and joint ventures - Unquoted	-	580.80	-	580.80	-	-	580.80	580.80
Investments in equity shares other than subsidiaries and joint ventures - Quoted	-	104.66	-	104.66	104.66	-	-	104.66
Investments in Preference shares	-	-	1,055.18	1,055.18	-	1,055.18	-	1,055.18
Loans	-	-	106,061.36	106,061.36	-	106,061.36	-	106,061.36
Others	-	-	39.25	39.25	-	39.25	-	39.25
Current financial assets								
Trade receivables	-	-	7,850.52	7,850.52	-	-	-	-
Cash and cash equivalents	-	-	2,701.58	2,701.58	-	-	-	-
Bank balances	-	-	1,585.65	1,585.65	-	-	-	-
Loans	-	-	41,947.10	41,947.10	-	-	-	-
Others	-	-	737.89	737.89	-	-	-	-
	-	**95,931.01**	**161,978.53**	**257,909.54**	**104.66**	**107,155.79**	**95,826.35**	**203,086.80**
Financial liabilities								
Current financial liabilities								
Borrowings	-	-	245,039.51	245,039.51	-	-	-	-
Trade payables	-	-	12,736.84	12,736.84	-	-	-	-
Others	-	-	29,043.22	29,043.22	-	-	-	-
	-	**-**	**286,819.57**	**286,819.57**	**-**	**-**	**-**	**-**

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

i) Credit risk;

ii) Liquidity risk; and

iii) Interest risk

Risk management framework

The Company's financial liabilities comprise of borrowings, trade payable and other liabilities to manage its operations and the financial assets include trade receivables, deposits, cash and bank balances, other receivables etc. arising from its operation.

Corporate Insolvency Resolution Process (CIRP) has been initiated in case of the Company and three of its subsidiaries under the Provisions of the Insolvency and Bankruptcy Code, 2016 (the Code). Pursuant to the order, the management of affairs of the Company and powers of board

Notes to financial statements for the year ended March 31, 2019 (Contd.)

of directors of the Company stand vested with the Resolution Professional (RP) appointed by the NCLT. The framework and the strategies for effective management will be established post implementation of Resolution Plan. Presently, the financial management activities are restricted to management of current assets and liabilities of the Company and the day to day cashflow and its associated risks are as under:

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

a) Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company does not have any significant concentration of credit risk.

Impairment

The ageing of trade receivables that were not impaired was as follows:

(₹ in Million)

	Gross carrying amount	
	March 31, 2019	**March 31, 2018**
Past due not impaired		
Less than 30 days	1,149.03	257.26
Past due 31 to 60 days	16.38	217.04
Past due 61 to 90 days	794.13	349.79
Past due 91 to 120 days	147.79	171.88
Past due 121 to 180 days	1,172.43	499.16
More than 180 days	6,677.79	6,355.39
Total	**9,957.55**	**7,850.52**

Management has analysed the debtors outstanding as of March 31, 2019 and concluded that the history of bad debts on the profile of its current debtors is insignificant. The debtors which are outstanding as of March 31, 2019 have been generally regular in making payments and hence it does not expect significant impairment losses on its current profile of outstanding debtors. The debtors which have defaulted in the past are mostly on account of any litigations and its experience regarding bad debts has been very low in the past.

On the basis of above, no additional provision has been made in the books of accounts under Ind AS.

b) Cash and cash equivalents and Other bank balances

The Company held cash and cash equivalents and other bank balances of ₹2,714.15 Million at March 31, 2019 (March 31, 2018: ₹ 4,287.23 Million). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

c) Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

d) Other financial assets

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

ii) Liquidity risk

The Company is under CIRP. The Company depends upon timely receipt from sales and delay in sales realisation as well as vendor payments can severely impact the current level of operation. Liquidity crises had led to default in repayment of principal and interest to lenders. Since the Company is under CIRP, it is not required to meet any loan or interest obligation till the resolution plan is implemented.

Liquidity risk is the financial risk that is encountered due to uncertainty resulting in difficulty in meeting its obligations. An entity is exposed to liquidity risk if markets on which it depends are subject to loss of liquidity for any reason; extraneous or intrinsic to its business operations, affecting its credit rating or unexpected cash outflows. A position can be hedged against market risk but still entail liquidity risk. Prudence requires liquidity risk to be managed in addition to market, credit and other risks as it has tendency to compound other risks. It entails management of asset, liabilities focused on a medium to long-term perspective and future net cash flows on a day-by-day basis in order to assess liquidity risk.

Liquidity Periodic budget and rolling forecasts shall be determined during CIR process.

Notes to financial statements for the year ended March 31, 2019 (Contd.)

iii) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. Since the Company is under CIRP, it could not meet interest obligation during the year and shall be finalised when resolution plan is implemented.

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

(₹ in Million)

	Carrying amount	
	March 31, 2019	**March 31, 2018**
Variable-rate instruments		
Non-current borrowings	-	-
Current borrowings		
Secured		
Loans from banks	237,121.52	203,023.79
Loans from financial institutions	11,060.90	9,508.62
Working capital loans from banks	19,340.79	16,528.35
Loans from others	15.83	13.39
Foreign currency convertible bonds	5,457.02	4,948.44
Vehicle loan from banks	4.63	8.84
Unsecured		
Loans from banks	12,843.66	11,008.08
Total	**285,844.35**	**245,039.51**

Fair value sensitivity analysis for fixed-rate instruments

All the borrowings of the Company are at variable interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. In cases where the related interest rate risk is capitalized to fixed assets, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets.

(₹ in Million)

	Profit or (loss) before tax	
	100 bp increase	**100 bp decrease**
March 31, 2019	(2,858.44)	2,858.44
March 31, 2018	(2,450.40)	2,450.40

Note 37

(₹ in Million)

Contingent liabilities and commitments (to the extent not provided for)	**March 31, 2019**	**March 31, 2018**
Commitments		
Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	804.60	745.49
Contingent Liabilities		
i) Letters of Guarantees	261,912.80	253,953.87
ii) Letters of Credit opened (including Standby Letters of Credit and Letter of Comfort)	-	45.31
iii) Claims against the Company not acknowledged as debts		
a) Custom Duty demands and penalties under dispute	4,656.11	260.65
[Amount paid under protest ₹ 3.09 Million (As at March 31, 2018 ₹ 0.17 Million)]		
b) Income Tax demands under dispute	3,034.80	3,039.40
c) Excise Duty and Service Tax demands and penalties under dispute	2,034.84	1,667.44
[Amount paid under protest ₹ 102.52 Million (As at March 31, 2018 ₹ 107.58 Million)]		
d) Sales Tax demands under dispute	4,587.07	476.26
[Amount paid under protest ₹ 64.57 Million (As at March 31, 2018 ₹ 74.89 Million)]		
e) Others [Amount paid under protest ₹ 50.00 Million (As at March 31, 2018 ₹ 50.00 Million)]	2,204.98	2,246.00

f) Show Cause Notices (SCNs) have been served on the Operator of the Ravva Oil & Gas Field Joint Venture (Ravva JV) for non payment of

Notes to financial statements for the year ended March 31, 2019 (Contd.)

Service Tax and Educational Cess on various services for the period July 2003 to March 31, 2014. The amount involved relating to Ravva Block is ₹ 263.72 Million (As at March 31, 2018 ₹ 263.72 Million).

The Operator is contesting the SCNs/demands before Commissioner of Service Tax and has filed appeal before CESTAT, Bangalore and also writ petition before Hon'ble High Court of Madras challenging service tax demands on some of the services and believes that its position is likely to be upheld. The ultimate outcome of the matter cannot be presently determined and no provision for any liability that may result has been made in the accounts as the same is subject to agreement by the members of the Joint Venture. The High Court of Judicature at Madras has granted stay on imposing service tax on royalty required to be paid or deposited under the provision of the Oilfields (Regulation and Development) Act, 1948. This interim order to stay will not come in the way of the Revenue for conducting and completing its assessment and enquiry, pursuant to the impugned show cause notice. Should it ultimately become payable, the Company's share as per the participating interest would be upto ₹ 65.93 Million (As at March 31, 2018 ₹ 65.93 Million).

g) The Supreme court of India in the case of Regional Provident Fund Commissioner Vs. Vicekananda Vidya Mandir and Others [LSI-62-SC-2019(NDEL)] has rendered a decision dated February 28, 2019 with reference to the Employees Provident Fund and Miscellaneous Provisions Act, 1952 on a common question of law as to whether special allowance paid by an establishment to its employees would fall within the expression of 'basic wages' under section 2(b)(ii) read with section 6 of the Act for the purpose of computation of deduction towards provident fund. The Supreme Court has held that in order to exclude the allowance from the ambit basic wages, there must be evidence to show that the workman concerned has become eiligible to get the extra amount beyond the normal work which he was otherwise required to put in. The test laid down by the Supreme Court will now have to be applied to each and every allowance to examine whether the allowance is excluded from the purview of wages or not. If the test for exclusion is met, then the said allowance would not form part of wages for the purpose of contribution under the Act. The Company is evaluating the impact of the decision of the Supreme Court on provident fund liability on account of various allowances to its employees. Pending necessary clarifications on the subject, no provision is considered necessary.

Note 38

There are certain disputes with the Government of India ("GOI") with respect to the Production Sharing Contract dated October 28, 1994 ("Ravva PSC") pertaining to Ravva Oil & Gas Field which were referred to more than one international arbitration for resolution. The respective International Arbitral Tribunals have issued their respective Awards from time to time substantially in favour of the Company. However the GOI has preferred to challenge few of the Awards in various Courts in India and overseas but has not succeeded so far in any of the Courts. With regard to dispute towards ONGC Carry cost, the final order was passed by the Tribunal on October 25, 2016, upholding that no further amounts are due from the Claimants i.e. in the Company's favour. GOI's challenge of the final award has been dismissed by the Malaysian High Court and the next appellate court in Malaysia i.e. Malaysian Court of Appeal. GOI then filed an appeal at Federal Court of Malaysia. The matter was heard on February 28, 2019 and the Federal Court dismissed GOI's leave to appeal. The Operator has also filed for the enforcement of the partial award and final award with Delhi High Court.

With regard to dispute towards Base Development Cost ("BDC") and under payment of Profit Petroleum, Joint venture partners initiated the arbitration proceedings and Arbitration Tribunal published the Award allowing claimants (including the Company) to recover the development costs spent to the tune of ₹ 19,229.62 Million (US$ 278 Million) and disallowed over run of ₹ 1521.77 Million (US$ 22 Million) spent in respect of BDC along with 50% legal costs. The High Court of Kuala Lumpur as well as Court of Appeal dismissed GOI's application of setting aside the part of the Award. GOI challenge to the same before the Federal Court of Malaysia was also dismissed by the Federal Court on May 17, 2016. The Company has filed an application for enforcement of award before Delhi High Court.

Pending final resolution of the disputes, certain amounts have been excess recovered, deducted or short paid by the GOI and / or its Nominees which have been challenged by the Company and the Company is seeking recovery of amounts excessively recovered, deducted or short paid by the GOI and/ or its Nominees. Any further sum required to be paid by the Company or recoverable by the Company in respect of any of these disputes in accordance with the award of the Hon'ble Arbitral Tribunal/relevant courts in this regard shall be accounted for on the final outcome in those matters.

Note 39

The Company alongwith 13 other affiliates/entities (collectively referred to as 'Obligors' or individually as 'Borrower') executed Facility Agreement with the consortium of existing domestic rupee term lenders (RTL Lenders), under the obligor/co-obligor structure, wherein all the Rupee Term Loans of the Obligors are pooled together. The Borrower entities are Videocon Industries Limited, Value Industries Limited, Trend Electronics Limited, KAIL Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Sky Appliances Limited, Techno Electronics Limited, Century Appliances Limited, PE Electronics Limited, Techno Kart India Limited, Evans Fraser and Co. (India) Limited, Electroworld Digital Solutions Limited and Videocon Telecommunications Limited.

As per the said Facility Agreement, the Company is agent of the Obligors and has been referred to as 'Obligor Agent'. The Rupee Term Loans have to be utilised for the purpose mentioned in the Facility Agreement which is mainly for refinancing of existing Rupee Term Loans of the Obligors. Accordingly, the Rupee Term Loans were allocated to respective Obligors based on their outstanding amount as on December 31, 2011 by the Company. However, the lenders have not allocated the loans to respective Obligors. The lenders have also directly disbursed further amounts to some of the Obligors. As the Company is a co-obligor, it is contingently liable in respect of the borrowings of other Obligors/Borrowers to the extent of outstanding balance of Rupee Term Loans as on March 31, 2019 of ₹ 49,173.91 Million (As at March 31, 2018 ₹ 49,173.91 Million).

Note 40

The Consortium of various banks have sanctioned the Letter of Comfort (LoC)/Stand-by Letters of Credit (SBLC) facility to the Company and its subsidiary VOVL Limited (VOVL) (collectively referred to as 'Obligors') to secure the foreign currency facility raised / to be raised by Videocon Hydrocarbon Holdings Limited (VHHL), an overseas subsidiary, from its lenders. The LoC/SBLC facility is secured by first ranking pledge of 100% shares of VOVL, VHHL and shares of certain subsidiaries of VHHL and IBV Brasil Petroleo Limitada, a 50:50 joint venture of a subsidiary of VHHL, charge over fixed assets of certain subsidiaries of VHHL, VHHL's share of cash flows from identified oil & gas assets through escrow of receivables, first ranking / exclusive charge on specified bank accounts for the benefit of the LoC/SBLC providers, exclusive charge on oil & gas facility servicing account of Obligors set-up under the onshore Trust and Retention Accounts, negative lien on shares of other subsidiaries of VHHL viz. Videocon JPDA 06-103 Limited and Videocon Australia WA-388-P Limited, first pari-passu charge on Videocon brand and personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot and Mr. Rajkumar N. Dhoot.

During the year, some of the LOC/SBLC Lenders released the Company from its obligations, as an obligor/co-obligor under the LoC/ SBLC facility. In turn, the Company issued a corporate guarantee in favour of such lenders. Accordingly, the Company is contingently liable in respect of the LoC/SBLC facility of VOVL to the extent of ₹ Nil (As at March 31, 2018 ₹ 1,165.59 Million Million).

Note 41

The Directorate of Revenue Intelligence, Mumbai Zonal Unit ('DRI') has issued Show Cause Notice(s) ('SCN') dated September 10, 2014 and December 30, 2014 to the Company in connection with import of Colour Picture Tubes ('CPTs') by the Company and other concerns. Vide SCNs, the Company has been asked to explain / as to why the declared value of CPTs imported should not be rejected and re-determined and why the amount of anti-dumping duty of ₹ 1,657.21 Million and penalty thereon should not be recovered under the extended period under the provisions of the Customs Act, 1962.

In order to buy peace, the Company filed application with the Adjudication Authority who vide order dated April 20, 2017 determined that the declared value of the Company is liable to be rejected and re-determined under Customs Valuation Rules read with Section 14 of the Customs Act, 1962 and the Company is liable to payment of anti-dumping duty amounting to ₹ 687.49 Million payable on the import of CPTs and the penalty of equivalent amount along with interest thereon under Section 114A of the Customs Act, 1962. Further, the Adjudication Authority imposed a penalty of ₹ 0.50 Million on the Company on High Sea Sales under Section 112(a) of the Customs Act, 1962. Subsequently, the Company has filed an appeal against the Order passed by Adjudication Authority before The Customs, Excise and Service Tax Appellate Tribunal (CESTAT) and the same is pending before the said CESTAT. The Company has been advised by its counsels that the Order passed by Adjudication Authority is untenable in the court of laws. Hence, no provision has been considered necessary in the financial statements.

Note 42

Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 :

(₹ in Million)

	Particulars	March 31, 2019	March 31, 2018
i)	Principle amount remaining unpaid as at the end of the year	129.57	171.77
ii)	Interest due thereon as at the end of the year	24.51	15.42
iii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the suppliers beyond the appointed day during the year	90.45	229.31
iv)	Interest due and payable for the year of delay in making payment	9.10	15.42
v)	Interest accrued and remaining unpaid at the end of the year	24.51	15.42
vi)	Further interest remaining due and payable even in the succeeding years, untill such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note: This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such vendors/parties have been identified on the basis of information available with the Company.

Note 43

Corporate social responsibility

The Company in light of losses incurred in the past years is not required to spend any amount towards Corporate Social Responsibility for the year ended March 31, 2019.

Note 44

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings, less cash and cash equivalents and bank deposits. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio is as follows:

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Total borrowings	285,844.35	245,039.51
Less: Cash and cash equivalents	1,108.86	2,701.58
Less: Bank deposits	1,605.29	1,585.65
Adjusted net debt	283,130.20	240,752.28
Total equity	-26,358.41	41,771.43
Adjusted net debt to adjusted equity ratio	-10.74	5.76

Notes to financial statements for the year ended March 31, 2019 (Contd.)

Note 45

Segement Reporting

Segment repoting will be presented in the consolidated financial statements.

Note 46

Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

A. Relationships –

Subsidiaries:

a) Middle East Appliances LLC (upto April 26, 2018)

b) Pipavav Energy Private Limited

c) Prosperous Energy Private Limited

d) Videocon Electronics (Shenzhen) Limited (Chinese Name - Weiyoukang Electronic (Shenzhen) Co., Ltd.)

e) Videocon Global Limited

f) VOVL Limited and its subsidiaries

- Videocon Hydrocarbon Holdings Limited and its subsidiaries
    - Videocon JPDA 06-103 Limited
    - Videocon Indonesia Nunukan Inc.
    - Videocon Energy Brazil Limited
    - Videocon Australia WA-388-P Limited
    - Videocon Mauritius Energy Limited
    - Videocon Brasil Petroleo Ltda
    - Videocon International Cooperatie U.A. and its subsidiaries (upto December 27, 2018)
        - Videocon Hydrocarbon Ventures B.V. (upto December 27, 2018)
        - Videocon Brazil Ventures B.V. (upto December 27, 2018)

g) Electroworld Digital Solutions Limited and its subsidiaries

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

h) Videocon Energy Limited

Associates and Joint Ventures:

Radium Appliances Private Limited - Associate - 26%

VISPL LLP - Associate of Videocon Telecommunications Limited - 50%

Videocon Infinity Infrastructure Private Limited - Joint Venture - 50%

IBV Brasil Petroleo Limitada - (50% Joint Venture of Videocon Energy Brazil Limited)

Key Management Personnel

Mr. Venugopal N. Dhoot - Chief Executive Officer

Mr. Mandar C. Joshi - Company Secretary (upto August 13, 2018)

Mr. Kaustubh Sahasrabudhe - Company Secretary (w.e.f. August 13, 2018 to March 15, 2019)

Notes to financial statements for the year ended March 31, 2019 (Contd.)

B. Transactions with the related parties:

(₹ in Million)

Particulars	Year	Name of Related Party	Subsidiaries	Associates
Sales of Product	FY 2017-18	Middle East Appliances LLC	2.01	
Other Operating Revenue	FY 2017-18	Videocon Telecommunications Ltd.	2.03	
Other Non Operating Income	FY 2018-19	Videocon Hydrocarbon Holdings Ltd.	46.42	
		VOVL Limited	0.27	
		Videocon Telecommunications Ltd.	0.02	
	FY 2017-18	Videocon Energy Brazil Ltd.	15.61	
		Videocon Hydrocarbon Holdings Ltd.	4,067.68	
Interest Recovered	FY 2017-18	Electroworld Digital Solutions Ltd.	610.14	
		VOVL Limited	579.14	
Other expenses	FY 2018-19	VOVL Limited	1,900.00	
	FY 2017-18	Videocon Telecommunications Ltd.	4.28	
		Liberty Videocon General Insurance Co. Ltd.		0.26
Long term advances given	FY 2018-19	Electroworld Digital Solutions Ltd.	378.11	
	FY 2017-18	Electroworld Digital Solutions Ltd.	1,111.93	
		VOVL Limited	2,133.17	
Long term advances received back	FY 2018-19	VOVL Limited	1,204.99	
Short term advances given	FY 2018-19	Pipavav Energy Private Ltd.	0.01	
	FY 2017-18	Prosperous Energy Private Ltd.	1.87	
		Videocon Infinity Infrastructure Pvt. Ltd.		0.00
Short term advances received back	FY 2017-18	Liberty Videocon General Insurance Co. Ltd.		0.00
		Videocon Infinity Infrastructure Pvt. Ltd.		2.50
Increase in Other receivables	FY 2018-19	Videocon Energy Brazil Ltd.	2.00	
		Videocon Hydrocarbon Holdings Ltd.	82.43	
		Videocon Indonesia Nunukan Inc.	0.12	
	FY 2017-18	Videocon Energy Brazil Ltd.	15.77	
		Videocon Hydrocarbon Holdings Ltd.	305.02	
		Videocon Indonesia Nunukan Inc.	0.01	
Increase in Other payables	FY 2018-19	Videocon Mauritius Energy Ltd.	235.48	
		Videocon Global Ltd.	0.06	
	FY 2017-18	Videocon Mauritius Energy Ltd.	24.25	
		Videocon Global Ltd.	2.65	
Decrease in Other payables	FY 2018-19	Videocon Telecommunications Ltd.	24.25	
	FY 2017-18	Videocon Telecommunications Ltd.	550.43	

- Remuneration to Key Management Personnel ₹ 1.63 Million (Previous year ₹ 33.20 Million).

Notes to financial statements for the year ended March 31, 2019 (Contd.)

C. Balances due from/to the related parties:

(₹ in Million)

Particulars	Year	Name of Related Party	Subsidiaries	Associates
Long term advances given	FY 2018-19	Electroworld Digital Solutions Ltd.	5,711.88	
		VOVL Limited	7,255.66	
	FY 2017-18	Electroworld Digital Solutions Ltd.	5,333.77	
		VOVL Limited	8,460.66	
Short term advances given	FY 2018-19	Pipavav Energy Private Ltd.	0.01	
		Prosperous Energy Private Ltd.	17.95	
		Radium Energy Private Ltd.		0.58
		Videocon Infinity Infrastructure Pvt. Ltd.		0.29
	FY 2017-18	Applied Energy Private Ltd.	3.27	
		Prosperous Energy Private Ltd.	17.95	
		Radium Energy Private Ltd.		0.58
		Videocon Infinity Infrastructure Pvt. Ltd.		0.29
Other receivables	FY 2018-19	Videocon Energy Brazil Ltd.	40.60	
		Videocon Hydrocarbon Holdings Ltd.	704.37	
		Videocon Indonesia Nunukan Inc.	2.57	
	FY 2017-18	Videocon Energy Brazil Ltd.	38.60	
		Videocon Hydrocarbon Holdings Ltd.	621.94	
		Videocon Indonesia Nunukan Inc.	2.44	
Other payables	FY 2018-19	Videocon Global Ltd.	4.48	
		Videocon Mauritius Energy Ltd.	7,910.68	
		Videocon Telecommunications Ltd.	17,868.22	
	FY 2017-18	Videocon Global Ltd.	4.42	
		Videocon Mauritius Energy Ltd.	7,675.20	
		Videocon Telecommunications Ltd.	17,901.89	

Note 47

Pursuant to an application filed before the Hon'ble National Company Law Tribunal, Mumbai (Adjudicating Authority) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) against Videocon Industries Limited (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 June 06, 2018 and appointed Mr. Anuj Jain 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 (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 that of 12 other Videocon group companies namely, 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, Value Industries Limited, PE Electronics Limited, CE India Limited and Sky Appliances Limited; and (ii) appointing Mr. Mahendra 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. Mahendra 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.

Note 48

The Company has been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 as amended, and there are persistent severe strains on the working capital and there is considerable decline in level of operations of the Company and net worth of the Company as on the reporting date is negative and it continue to incur losses. The Company has received invocation notices of corporate guarantees given by it and also the personal guarantees of promoter directors have been invoked. Since Corporate Insolvency Resolution Process (CIRP) is currently in progress, as per the Code, it is required that the Company be managed as going concern during CIRP. Accordingly, the standalone financial statements are continued to be prepared on going concern basis. The Company continues the process for ascertaining the realisable value for its assets (including inventories and trade receivables) and necessary adjustments to the carrying value will be effected in due course, the impact of which is not ascertainable at this stage.

Note 49

The Company has made investments, given advances and has trade receivables aggregating to ₹ 181,386.43 Million in subsidiary/ group/affiliate companies, namely Electroworld Digital Solutions Limited, Videocon Telecommunications Limited, VOVL Limited, Value Industries Limited, Trend Electronics Limited, KAIL Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Sky Appliances Limited, Techno Electronics Limited, Century Appliances Limited, PE Electronics Limited, Techno Kart India Limited, Evans Fraser and Co. (India) Limited, CE India Limited and Planet M Retail Limited, which have been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 by their lenders and subsquently been admitted into Corporate Insolvency Resolution Process (CIRP). The actual amount of loss on these investments, advances and trade receivables are not ascertainable till the completion of resolution process of these subsidiary/group/entities.

Note 50

The manufacturing activity of Glass Shell division located at Bharuch, which manufactured panels and funnels used in colour picture tube for colour television, has been suspended from July, 2017 due to poor demand of these products due to changes in technology for colour televisions. The management is of the view that the said factory and facilities can be, with some modifications, used for production of solar panel glass, solar lense, glass fibre and glass blocks which have good demand in the market. In view of the above, no provision for impairment has been considered necessary for the assets of the glass shell division at this stage.

Note 51

The confirmations and reconciliation of balances of certain secured and unsecured loans, balances with banks, trade receivables, trade and other payables and loans and advances are pending. The management is in the process of obtaining confirmations and reconciliation of balances and ascertaining the impact of which is not ascertainable at present.

Note 52

The Company had given 40,000 equity shares of Asian Electronics Limited, 7,000 equity shares of Lumax Industries Limited and 300,000 equity shares of Man Industries (India) Limited, shown in Non-Current Investments amounting to ₹ 32.69 Million as a security for the loans and advances taken from Nippon Investments & Finance Company Private Limited.

These shares are not held by the Company in its own name. The Company is in process of obtaining the confirmation of the outstanding balance of loans and advances of ₹ 15.00 Million from and the holding of shares by Nippon Investments & Finance Company Private Limited.

Note 53

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 operational and financial creditors.

Note 54

During the year, the Company has entered into agreement in April, 2018 with Mr. Said Salehal Hinai, for sale of Middle East Appliances LLC, a subsidiary company for RO 50,000 (equivalent to ₹ 8.60 Million). Out of which RO 25,000 (equivalent to ₹ 4.30 Million) had been received and balance RO 25,000 (equivalent to ₹ 4.30 Million) are not yet received. Further, as per the Foreign Exchange Management Act, 1999, the said balance of RO 25,000 (equivalent to ₹ 4.30 Million) should have been received within 90 days. The Company is making efforts for recovering the same.

Note 55

During the year, verification and valuation of inventories related to consumer electronics business of the Company was carried out by an independent firm. Based on the shortages, damages and non-moving items of inventory due to rapid changes in technology for the products observed and estimated by them, they have valued the inventory at ₹ 2,786.50 Million against the book value of inventory ₹ 12,048.20 Million as on May 31, 2018. Accordingly, the values arrived by the valuer have been considered and the difference has been charged to consumption of materials and increase/decrease in inventory.

Note 56

During the year, an amount of ₹ 725.00 Million and interest thereon ₹ 125.07 Million pertaining to inter corporate deposits received, were settled through novation agreement with Videocon Realty and Infrastructure Limited.

Note 57

The Company has defaulted in transferring amount of ₹ 1.11 Million, required to be transferred to the Investor Education and Protection Fund during the year ended March 31, 2019.

Note 58.1

Unincorporated Joint Ventures:

The Financial Statements reflect the share of the Company in the assets and the liabilities as well as the income and the expenditure of Joint Venture Operations on a line-by-line basis. The Company incorporates its share in the operations of the Joint Venture based on statements of account received from the Operator. The Company has, in terms of Significant Accounting Policy No.1.3 (E), recognised abandonment costs based on the technical assessment of current costs as cost of producing properties and has provided depletion thereon under 'Unit of Production' method as part of Producing Properties in line with Guidance Note on Accounting of Oil and Gas Producing Activities issued by the Institute of Chartered Accountants of India.

The Company has participating interest of 25% in Ravva Oil and Gas Field Joint Venture (JV) through a Production Sharing Contract (PSC). Other members of the JV are Oil and Natural Gas Corporation Limited, Vedanta Limited and Ravva Oil (Singapore) Pte. Limited. The parties have pursuant to the PSC, entered into a Joint Operating Agreement. Vedanta Limited is the Operator.

The Government of India has granted its approval for a ten-year extension of PSC for Ravva Block with effect from October 28, 2019, subject to certain conditions. The extension has been granted with a 10% increase in GOI share of profit oil. The Participating Interest of the Company in Ravva Block for

Notes to financial statements for the year ended March 31, 2019 (Contd.)

the extended period of PSC.

Note 58.2

Incorporated Jointly Controlled Entities:

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

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

(₹ in Million)

Company's share in	March 31, 2019	March 31, 2018
Assets	6.73	6.73
Liabilities	6.68	6.68
Income	-	-
Expenses	-	-
Tax	-	-

Note 58.3

The estimated amount of commitment of the Company towards contribution in various Joint Ventures for next year based on minimum work program is ₹ 3,494.95 Million (As at March 31, 2018 ₹ 2,663.41 Million).

Note 59

The Company has kept the investment activities separate and distinct from other businesses. Consequently, all the income and expenditure pertaining to investment activities have been allocated to the Investments and Securities Division and the income/(loss) after netting of the related expenditure has been shown as "Income/(Loss) from Investments and Securities Division" under "Other Income" which includes in respect of the long term investments, dividend of ₹ Nil (Previous year ₹ 1.39 Million), profit on sale/disposal of investments of ₹ Nil (Previous year ₹ 65.31 Million) and rent income ₹ 373.23 Million (Previous year ₹ 382.92 Million).

Note 60

C.I.F. Value of Imports, Expenditure and Earnings in Foreign Currency:

(₹ in Million)

	Particulars	For the year ended	
		March 31, 2019	March 31, 2018
a)	**C.I.F. Value of Imports:**		
	Raw Materials	65.27	8,991.96
	Capital Goods (including advances)	-	0.23
b)	**Expenditure incurred in Foreign Currency:**		
	Interest and Bank Charges	156.62	151.11
	Royalty	-	117.09
	Travelling	0.44	3.40
	Others	-	4.58
c)	**Other Earnings/Receipts in Foreign Currency:**		
	F.O.B. Value of Exports	84.03	989.25
	Others (including reimbursement of Expenses)	-	4,145.10

Notes to financial statements for the year ended March 31, 2019 (Contd.)

Note 61

Share of the Company in remaining reserves on proved and probable basis (as per Operator's estimates) in Ravva Oil & Gas field (Unincorporated) Joint Venture, relied upon by the auditors, being technical evaluation/matter.

Particulars	Unit of measurement	March 31, 2019	March 31, 2018
Crude Oil and Natural Gas	Million Barrels of Oil Equivalent (MMBOE)	9.75	11.25

Note 62

The Financial Institutions have a right to convert, at their option, the whole outstanding amount of term loans or a part not exceeding 20% of defaulted amount of loan, whichever is lower, into fully paid up Equity Shares of the Company at par on default in payments/repayments of three consecutive installments of principal and/or interest thereon or on mismanagement of the affairs of the Company. Such conversion are considered to be anti-dilutive in nature and hence not considered for computation of the diluted earnings per share.

Note 63

Previous year figures have been reclassified, regrouped, recasted to confirm to the classification of the current year.

Note 64

The Company has received Grant from Ozone Cell, Ministry of Environment & Forests, Government of India for financing the machinery under the Ozone Project. As per the accounting policy followed by the Company, the Grant received for Ozone Project has been treated as "deferred income" to be recognised in the Statement of Profit and Loss over the useful life of the assets under the Ozone Project. Accordingly, an amount of ₹ 4.09 Million (Previous year ₹ 4.07 Million) has been allocated to income and credited to other non-operating income, in proportion to the depreciation charged on those assets for the year. The balance deferred income has been carried to Balance Sheet as Grant for Ozone Project.

Note 65

Approval of financial statement

As the powers of the board of directors have been suspended on account of the ongoing corporate insolvency resolution process and as per the provisions of the Insolvency and Bankruptcy Code, 2016, the financial statements have not been adopted by the board of directors. However, the same have been signed by the designated officials of the Company confirming the accuracy and completeness of the statements. These financial statements have thereafter been taken on record by Mr. Abhijit Guhathakurta, the Resolution Professional (RP) of the Company.

i) The RP has assumed control of Corporate Debtor with effect from September 30, 2019 and therefore was not in control of the operations or the management of the Corporate Debtor for the period to which the underlying financial statements pertain to;

ii) These financial statements 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 the Code;

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

iv) These financial statements have been prepared on the basis of certifications, representations and statements made by the directors and management of the Corporate Debtor, in relation to these financial statements. The RP has assumed that all information and data in the financial statements are conformity with applicable laws with respect to the preparation of the financial statements. Accordingly, the RP is not making any representations regarding accuracy, veracity or completeness of the data or information in the financial statements.

As per our report of even date
For S Z DESHMUKH & CO.
Chartered Accountants

D. U. KADAM
Partner
ICAI Membership No: 125886
Place : Mumbai
Date : November 27, 2019

For and behalf of the Board

RAJNEESH GUPTA
Chief Financial Officer

V. N. DHOOT
Managing Director & CEO
DIN 00092450

SAMRIDHI KUMARI
Company Secretary
Membership No. ACS 54714

S. S. DAYAMA
Director
DIN 00217692

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Members of
Videocon Industries Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of Videocon Industries Limited ("the Company") and its subsidiaries (together referred to as "the Group"), its associates and jointly controlled entities comprising of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph* of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2019, and their consolidated loss, consolidated total comprehensive loss, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

a) *As mentioned in Note No. 48 to the consolidated financial statements, the Group has made investments, given advances and has trade receivables aggregating to ₹ 124,215.69 Million in group/affiliate companies, which have been also admitted to Corporate Insolvency Resolution Process (CIRP).*

In view of the referral of these group/affiliate companies to National Company Law Tribunal and consequent admission thereof under the Insolvency and Bankruptcy Code, 2016, we are unable to express an opinion on the extent of realisability of aforesaid investments, advances and trade receivables from these group/affiliate companies. The consequential effect of the above, on the consolidated financial statements for the year ended March 31, 2019 is not ascertainable.

b) *As mentioned in Note No. 49 to the consolidated financial statements, the manufacturing activity of Glass Shell division which manufactured panels and funnels used in Colour Picture Tube of Colour Television, has been suspended from July, 2017 due to poor demand. According to management, there are indication of impairment loss. However, the Company has not assessed or reviewed the plant and machinery and other fixed assets related to the Glass Shell division for impairment. In respect of other fixed assets at other locations, the management has not carried out any assessment of impairment, and the impairment loss, if any, has not been ascertained. The consequent effect of the same is not ascertainable.*

c) *As mentioned in Note No. 50 to the consolidated financial statements, the balance confirmations have not been received in respect of certain secured and unsecured loans, balances with banks, trade receivables, trade and other payables and loans and advances. The Company continues the process of obtaining confirmations and reconciliation of the balances of trade receivables, trade and other payables and loans and advances. The impact of the same is not ascertainable at present.*

d) *As mentioned in Note No. 51 to the consolidated financial statements, no confirmation is available in respect of equity shares valued at ₹ 32.69 Million shown in Non Current Investments, which were given as security for the loans and advances taken by the Company. The outstanding balance of loans and advances as on March 31, 2019 of ₹ 15.00 Million, which is also subject to confirmation from that party.*

e) *As mentioned in Note No. 52 to the consolidated financial statements, pursuant to commencement of CIRP of the Company and its 3 subsidiaries under Insolvency and Bankruptcy Code, 2016, there are various claims submitted by the financial creditors, operational creditors, employees and other creditors to the Resolution Professional (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 operational and financial creditors. Hence, consequential impact, if any, is currently not ascertainable and we are unable to comment on possible financial impacts of the same.*

f) *As mentioned in Note No. 53 to the consolidated financial statements, the Company has entered into agreement in April, 2018 with Mr. Said Salehal Hinai, for sale of Middle East Appliances LLC, a subsidiary company for RO 50,000 (equivalent to ₹ 8.60 Million). Out of which RO 25,000 (equivalent to ₹ 4.30 Million) had been received and balance RO 25,000 (equivalent to ₹ 4.30 Million) are not yet received. Further, as per the Foreign Exchange Management Act, 1999, the said balance of RO 25,000 (equivalent to ₹ 4.30 Million) should have been received within 90 days. This is non compliance of the provisions of Foreign Exchange Management Act.*

g) *The auditors of subsidiary Videocon Telecommunications Limited (VTL) have given adverse opinion. The basis of adverse opinion is as follows:*

(i) *As mentioned in Note No. 54 to the consolidated financial statements, consequent to the transfer of the right to use 2 x 5 MHz Spectrum allocated to the VTL in its 6 circles with Bharti Airtel Limited, VTL is in process of determining the impairment loss, if any, on its assets including assets held for sale. As the impairment loss, if any, in terms of Indian Accounting Standard 36 – 'Impairment of Assets' has not been determined, we are unable to express any opinion as to the effect thereof on the consolidated financial statement for the year.*

(ii) *As mentioned in Note No. 55 to the consolidated financial statements, VTL had given advances to Quadrant Televentures Limited (QTL) of ₹ 12,860.00 Million for the proposed acquisition of indefeasible right of use (IRU) the UAS License of Punjab circle, subject to regulatory approvals. Same amount was converted into Unsecured Zero Coupon Compulsorily Convertible Debentures (CCD's). The said Investment has not been shown at fair value and in view of the huge accumulated losses of QTL, we are unable to express an opinion on the realizability of aforesaid investments and the effect of the same has not been ascertained. The consequential cumulative effect thereof on loss including other comprehensive income for the year, assets, liabilities and other equity is unascertainable.*

(iii) *As mentioned in Note No. 56 to the consolidated financial statements, VTL has not recognized fair value of corporate guarantee given for ultimate holding company as required under Indian Accounting Standard-109 'Financial Instruments'. The effect of the same has not been ascertained by VTL and hence the consequential cumulative effect thereof on loss including other comprehensive income for the year, assets, liabilities and other equity is unascertainable.*

(iv) As mentioned in Note No. 57 to the consolidated financial statements, during the year VTL has incurred a net loss of ₹ 5,915.29 Million and has accumulated losses of ₹ 72,937.87 Million as at March 31, 2019. Also, VTL has traded the right to use 2 x 5 MHz spectrum allotted to it in 6 circles, in terms of the Guidelines for Trading of Access Spectrum by Access Service Providers dated October 12, 2015 issued by the WPC Wing of the Department of Telecommunications (DoT), Government of India (Spectrum Trading Guidelines), which has resulted in closure of GSM (Global System for Mobile Communications) business operations of VTL in all 6 circles. Further, Financial Creditors petition to initiate the CIRP was admitted by the NCLT on June 11, 2018. These factors indicate a material uncertainty that may cast significant doubt on VTL's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business. The consolidated financial statements do not disclose this fact.

h) As mentioned in Note No. 45(C) to consolidated financial statements, the Department of Telecommunications (DoT) had raised demand notice to VTL for license fee, spectrum usage charges and electronic magnetic field (EMF) penalty from the financial year 2007-08 to financial year 2015-16 aggregating to ₹ 10,301.00 Million and the same are under reconciliation. No provision has been made for the same in the consolidated financial statements.

All the telecom operators had challenged the judgement of TDSAT on AGR matter before Hon'ble Supreme Court of India. That vide its judgement dated October 24, 2019, Hon'ble Supreme Court dismissed the telecom operators appeal in favour of DoT. Now DoT shall recalculate the demands and shall raise demands for payment of license fees based on AGR.

i) As mentioned in Note No. 58 to consolidated financial statement, the subsidiary Videocon Mauritius Energy Limited has made investments of ₹ 17,719.54 Million which have been recognized /held at cost. The financial statement for the period have not been audited. However, the auditors of the said subsidiary for the previous year have given disclaimer of opinion as it has not been possible to estimate the financial effect of not carrying these investments at fair value.

j) Material uncertainty relating to Going Concern:

As mentioned in Note No. 59 to the consolidated financial statements, the Company and its 3 subsidiaries namely Videocon Telecommunications Limited (VTL), Electroworld Digital Solutions Limited (EDSL) and VOVL Limited (VOVL) have been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016, and there are persistent severe strains on the working capital and there is considerable decline in level of operations of the Company and net worth of the Company as on the reporting date is negative and it continues to incur losses. The Company has received invocation notices of corporate guarantees given by it and also the personal guarantees of promoter directors have been invoked. Further, VOVL and its subsidiaries and the joint venture are in exploration/appraisal stage and have spent significant amounts on acquisitions, explorations and evaluation costs and have liabilities on this account. Since Corporate Insolvency Resolution Process (CIRP) is currently in progress, as per the Code, it is required that the Company be managed as going concern during CIRP. Accordingly, the consolidated financial statements are continued to be prepared on going concern basis. However, 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 consolidated 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 at this stage.

Our report for the preceding financial year was also qualified in respect of sr. no. (b), (c), (g) and (i) above and emphasis of matter was given in respect of sr. no. (j).

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Apart from the matters described in the Basis for Qualified Opinion paragraph and Material uncertainty relating to Going Concern section, we have also determined the matters described below to be the key other audit matters to be communicated in our report.

Key Audit Matter (Other than those given in Basis for Qualified Opinion)	**How our audit addressed key audit matter**
Revenue Recognition The principal products of the Group comprise consumer electronics products that are mainly sold through distributors, modern trade and direct sale channels amongst others. Revenue is recognised when the customer obtains control of the goods. We identified revenue recognition as a key audit matter because the Company and its external stakeholders focus on revenue as a key performance indicator. This could create an incentive for revenue to be overstated or recognised before control has been transferred.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards. We performed substantive testing by selecting samples of revenue transactions, recorded during the year by testing the underlying documents using statistical sampling. We carried out analytical procedures on revenue recognised during the year to identify unusual variances. We performed confirmation procedures on selected customer balances at the balance sheet date. We tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate financial period. We tested manual journal entries posted to revenue to identify unusual items.

Key audit matter	How the matter was addressed
Litigations, provisions and contingencies The Company is involved in several ongoing direct and indirect tax litigations. The assessment of the existence of the present legal or constructive obligation, analysis of the probability or possibility of the related payment require the management to make judgement and estimates in relation to the issues of each matter. The management with the help of opinion and advise of its experts have made such judgements and estimates relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability. The Company recognises a provision when it has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made. We have identified litigations, provisions and contingencies as a key audit matter because it requires the management to make judgements and estimates in relation to the exposure arising out of litigations. The key judgement lies in the estimation of provisions where they may differ from the future obligations. The Company operates under several tax laws and some of these have a significant impact on the consolidated financial statements of the Company.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: We tested the effectiveness of key controls around the recording and assessment of tax provisions and contingent liabilities. We assessed the value of the provisions and contingent liabilities in light of the nature of the exposures, applicable regulations and related correspondences with the authorities. We have reviewed and held discussions with the management to understand their processes to identify new possible obligations and changes in existing obligations for compliance with the requirements of Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets. We have also discussed with the management significant changes from prior periods and obtained a detailed understanding of these items and assumptions applied. We have held regular meetings with the management and key legal personnel responsible for handling legal matters. In addition, we have reviewed the details of the proceedings before the relevant authorities including communication from the advocates / experts; status of each of the material matters as on the date of the balance sheet. We have assessed the appropriateness of provisioning based on assumptions made by the management and presentation of the significant contingent liabilities in the financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon ("Other Information")

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Corporate Governance Report but does not include the consolidated financial statements and our auditor's report thereon. The Board's Report including Annexures to Board's Report and Corporate Governance Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's Report including Annexures to Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Consolidated Financial Statements

a) The Company and its 2 subsidiaries namely Videocon Telecommunications Limited (VTL) and Electroworld Digital Solutions Limited (EDSL) have been under the Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 ('the Code') vide order dated June 6, 2018, June 11, 2018 and August 30, 2018, respectively passed by the National Company Law Tribunal ('NCLT'). The powers of the Board of Directors stand suspended as per Section 17 of the Code and such powers are being exercised by the respective Resolution Professional (RP) appointed by the NCLT by the said orders under the provisions of the Code. As per Section 20 of the Code, the management and operations of the Company and VTL were being managed by Interim Resolution Professional / Resolution Professional Mr. Anuj Jain. The operations of the EDSL were being managed by Interim Resolution Professional / Resolution Professional Mr. Avil Menezes.

   Subsequently, NCLT Principal Bench on October 24, 2018 directed to transfer all insolvency petitions related to certain Videocon group/affiliate entities to one bench at NCLT, Mumbai and left open the matter of substantive consolidation to be decided by NCLT, Mumbai bench. Further, State Bank of India had filed a petition at NCLT, Mumbai bench for substantive consolidation of CIRP of group/affiliate entities.

   The NCLT, Mumbai Bench has, vide order dated August 8, 2019, directed consolidation of 13 entities out of 15 group/affiliate entities including the Company, VTL and EDSL. Subsequently, the NCLT vide Order dated September 25, 2019 has appointed Mr. Abhijit Guhathakurta as Resolution Professional (RP) for the consolidated CIRP cases of the 13 Videocon group entities including the Company, VTL and EDSL, which was published on September 27, 2019 and the RP has been directed to take over the process of insolvency. Further, the CIRP is to be completed within 180 days from the date of the said order i.e. August 8, 2019. Therefore, the management and operations of the Company and other 12 consolidated entities, namely, 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, Value Industries Limited, PE Electronics Limited, CE India Limited and Sky Appliances Limited are being managed by Resolution Professional Mr. Abhijit Guhathakurta.

b) The subsidiary, VOVL Limited (VOVL) has been admitted under the CIRP under the Code vide order of NCLT dated November 8, 2019. The powers of its Board of Directors stand suspended as per Section 17 of the Code and such powers are being exercised by the Interim Resolution Professional (IRP) appointed by the NCLT by the said order under the provisions of the Code. As per Section 20 of the Code, the management and operations of the VOVL are being managed by IRP Mr. Rakesh Rameshwar.

   The Company's management is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective management and Board of Directors of the subsidiary companies in the Group are responsible for assessing the ability of each subsidiary 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 Group or to cease operations, or has no realistic alternative but to do so.

The management / RP is also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) to (e) of the section titled 'Other Matters' in this audit report.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a Statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest, benefits of such communication.

Other Matters

a) We did not audit the financial statements of 10 subsidiaries whose financial statements reflect total assets of ₹ 90,563.94 Million as at March 31, 2019, total revenue of ₹ 144.32 Million and net cash flows amounting to ₹ 565.43 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of other auditors.

b) The accompanying consolidated financial statements include total assets of ₹ 16,610.46 Million as at March 31, 2019 and total revenue of ₹ 37,348.59 Million and net cash flows amounting to ₹ (682.08) Million for the year ended on that date in respect of 6 foreign subsidiaries, which have been audited by other auditors, which financial statements, prepared under the generally accepted accounting principles ('GAAPs') accepted in the respective countries, other financial information and auditor's report have been furnished to us by the Company's management. The management of the Company has converted these audited financial statements from accounting principles generally accepted in the respective countries to accounting principles generally accepted in India, for the purpose of preparation of the Company's consolidated financial statements under accounting principles generally accepted in India. We audited the adjustments that were applied to convert these subsidiaries' and jointly controlled entity's financial statements and information from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India and followed by the Company. In our opinion the adjustments have been properly applied. We were not engaged to audit, review or apply any procedure to the financial statements of these subsidiaries and jointly controlled entity, other than with respect to the adjustments and, accordingly, we do not express an opinion on the financial statements of these subsidiaries and jointly controlled entity, from which such adjustments were derived. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our reports in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on the reports of such other auditors under the aforementioned GAAPs in respective countries and the aforesaid conversion undertaken by the management examined by us on a test basis.

c) The accompanying consolidated financial statements includes total assets of ₹ 165,603.11 Million as at March 31, 2019, total revenue of ₹ 37,315.18 and net cash flows amounting to ₹ (681.31) Million for the year ended on that date in respect of 5 foreign subsidiaries, for which the Company has received audited financial statements for the year ended December 31, 2018 (which have been audited by other auditor).

d) The consolidated financial statements also include the Company's share of loss of ₹ 2,973.89 Million for the year ended March 31, 2019, in respect of 2 associates and 2 joint ventures, whose financial statements have been audited by other auditors and whose reports have been furnished to us by the Company's Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these associates and joint ventures, and our reports in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associates and joint ventures, is based solely on the reports of such other auditors.

e) We did not audit the financial statements of 2 subsidiaries whose financial statements reflect total assets of ₹ 17,720.44 Million as at March 31, 2019, total revenue of ₹ 0.06 Million and net cash flows amounting to ₹ (9.70) Million for the period ended on that date. These financial statements are unaudited and have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on consideration of the reports of other auditors on separate financial statements and other financial information of subsidiaries, associates and joint ventures referred in the Other Matters paragraph above, we report, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

a) We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law maintained by the Company and its subsidiaries included in the Group including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Company and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income/(Loss), Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Company and its subsidiaries included in the Group including relevant records relating to preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended, except requirement of Ind AS 26 on 'Impairment of Assets', Ind AS 37 on 'Provisions, Contingent Liabilities and Contingent Assets' and Ind AS 109 on 'Financial Instruments' with regard to matters described in the Basis of Qualified Opinion paragraph above.

e) The matters described under the basis for *qualified opinion paragraph and Material Uncertainty relating to Going Concern paragraph above in our opinion,* may have an adverse effect on functioning of the Group and on the amounts disclosed in consolidated financial statements of the Group.

f) We have not received any written representations from the directors as on March 31, 2019 with regard to disqualification from being appointed as a director in terms of Section 164(2) of the Act. However, considering the fact, that the Company has defaulted in repayment of Foreign Currency Convertible Bonds, in our opinion, all the directors are disqualified from being appointed as director in terms of Section 164 (2) of the Act.

g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Reports in "Annexure A" which is based on the auditors' report of the Company, subsidiary companies, associates and joint ventures incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company, its subsidiary companies, associates and jointly controlled companies', internal financial controls over financial reporting.

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements discloses the impact of pending litigations as at March 31, 2019 on its consolidation financial position – Refer Note 39 to 45 to the consolidated financial statements.

ii. The Group did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.

iii. The Company has defaulted in transferring amounts of ₹ 1.11 Million, required to be transferred to the Investor Education and Protection Fund during the year ended March 31, 2019.

(C) 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 remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not 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 S Z DESHMUKH & CO.
Chartered Accountants
(Firm Registration No. 102380W)

D. U. KADAM
Partner
Membership No. 125886
UDIN: 19125886AAAACR7668

Place: Mumbai
Date: December 3, 2019

Annexure 'A' referred in the Independent Auditor's Report of even date to the members of Videocon Industries Limited on the consolidated AS financial statements for the year ended March 31, 2019

Report on the internal financial controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)

In conjunction with our audit of the consolidated financial statements of **Videocon Industries Limited** (the Company) as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to consolidated financial statements of the Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's and its subsidiary companies', which are incorporated in India, 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 ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the Company's and its subsidiary companies', which are incorporated in India, internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors 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 Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's and some of subsidiaries companies internal financial controls over financial reporting as at March 31, 2019:

i. The confirmations and reconciliation of balances of certain secured and unsecured loans, balances with banks, trade receivables, trade and other payables and loans and advances are not being taken and reconciliations are pending. (Refer Note No. 50).

ii. The Company and some of its subsidiaries, have not made any assessment of impairment of the fixed assets, loans and advances and other assets as at the balance sheet date.

iii. Non compliance of the requirements of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to preparation of periodical financial results from quarter ended March 31, 2019 till date.

iv. Statutory dues (Goods and Service Tax / Value Added Tax / Tax Deducted at Source) accounts are in the process of reconciliation and there are delays in filing of certain statutory returns with the respective authorities. Company needs to strengthen internal control system in this regard.

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 Group's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects / possible effects of the material weaknesses described above under Qualified Opinion paragraph on the achievement of the objectives of the control criteria, the Company has, in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

We have considered material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 consolidated financial statements of the Group and these material weaknesses affect our opinion on consolidated financial statements of the Group for the year ended March 31, 2019 of even date, which expressed a qualified opinion on those consolidated financial statements of Group.

For S Z DESHMUKH & CO.
Chartered Accountants
(Firm Registration No. 102380W)

D. U. KADAM
Partner
Membership No. 125886
UDIN: 19125886AAAACR7668

Place: Mumbai
Date: December 3, 2019

Consolidated Balance Sheet as at March 31, 2019

(₹ in Million)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
I. ASSETS			
1) Non-current assets			
Property, Plant and Equipment	2	56,531.74	62,215.24
Capital work-in-progress		541.24	520.30
Other Intangible assets	3	29.44	78.38
Goodwill on consolidation		11,045.29	11,059.11
Equity accounted investees	4A	6,427.40	4,089.33
Financial assets			
i) Other investments	4B	33,053.96	32,132.64
ii) Loans	5	258,962.94	224,792.85
iii) Others	6	5.93	198.57
Other non-current assets	7	7,809.94	8,052.28
Other tax assets (Net)		681.76	756.39
Total non-current assets		**375,089.64**	**343,895.09**
2) Current Assets			
Inventories	8	2,724.77	14,089.98
Financial Assets			
i) Trade receivables	9	9,960.89	7,874.07
ii) Cash and cash equivalents	10a	2,355.00	3,389.68
iii) Bank balances other than cash and cash equivalents	10b	2,856.79	4,314.27
iv) Loans	11	100,441.81	112,150.38
v) Others	12	527.82	472.41
Other current assets	13	2,416.22	2,110.04
		121,283.30	144,400.83
Disposal group-assets held for sale		8,077.70	9,163.20
Total current assets		**129,361.00**	**153,564.03**
TOTAL ASSETS		**504,450.64**	**497,459.12**
II. EQUITY AND LIABILITIES			
1) Equity			
Equity share capital	14	3,344.59	3,344.59
Other equity	15	(112,790.34)	(39,528.44)
Total Equity		**(109,445.75)**	**(36,183.85)**
2) Non controlling interest		305.33	564.86
3) Non current liabilities			
Financial liabilities			
i) Borrowings	16	26.00	1,696.33
Provisions	17	1,845.74	1,675.58
Deferred tax liabilities (net)	18	1,386.18	2,773.53
Grant for Ozone Project		48.17	52.26
Total non current liabilities		**3,306.09**	**6,197.70**
4) Current liabilities			
Financial liabilities			
i) Borrowings	19	585,713.75	500,911.68
ii) Trade payables	20	13,776.08	15,368.99
iii) Others	21	9,762.50	8,708.42
Other current liabilities	22	557.11	1,248.75
Provisions	23	475.53	642.57
Total Current liabilities		**610,284.97**	**526,880.41**
TOTAL EQUITY AND LIABILITIES		**504,450.64**	**497,459.12**
Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For S Z DESHMUKH & CO.
Chartered Accountants

D. U. KADAM
Partner
ICAI Membership No: 125886
Place : Mumbai
Date : December 3, 2019

RAJNEESH GUPTA
Chief Financial Officer

SAMRIDHI KUMARI
Company Secretary
Membership No. ACS 54714

For and behalf of the Board
V. N. DHOOT
Managing Director & CEO
DIN 00092450

S. S. DAYAMA
Director
DIN 00217692

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(₹ in Million)

Particulars		Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
I.	**Income**			
	Revenue from operations	24	9,110.26	30,075.59
	Other income	25	38,623.37	20,855.15
	Total Income		**47,733.63**	**50,930.74**
II.	**Expenses**			
	Cost of materials consumed	26	8,779.15	25,223.21
	Purchase of stock-in-trade	27	538.89	9,006.11
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	3,982.49	1,064.73
	Excise duty		-	737.85
	Production and exploration expenses - Oil and Gas	29	4,643.49	4,638.84
	Access charges, license fees and network expenses	30	11.27	1,410.95
	Employee benefits expenses	31	1,234.36	2,311.78
	Finance costs	32	78,858.28	49,479.50
	Depreciation and amortization expenses	2&3	5,315.94	8,307.57
	Other Expenses	33	4,248.89	12,051.25
	Total Expenses		**107,612.76**	**114,231.79**
	Exceptional items	60	14,133.45	6,281.86
	Profit/(Loss) before share of profit of associates/joint ventures and tax		**(74,012.58)**	**(69,582.91)**
	Add: Share of Profit of equity accounted investees		(2,973.89)	(1,991.71)
	Add: Profit on disposal/dilution of holding in subdiairies/associates		742.92	274.10
	Profit/(Loss) before tax		**(76,243.55)**	**(71,300.52)**
	Tax expense:	34		
	i) Current tax		-	0.29
	ii) Deferred tax		(1,506.54)	(5,763.71)
	iii) (Excess)/Short provision of income tax for earlier years		-	0.09
	Total tax expenses		**(1,506.54)**	**(5,763.33)**
	Profit/(Loss) for the year		**(74,737.01)**	**(65,537.19)**
	Other comprehensive income			
	Items that will not be reclassified to statement of profit or loss in subsequent period			
	i) Remeasurements of the defined benefit plans		9.74	38.40
	ii) Equity instruments through other comprehensive income - net change in fair value		(175.01)	(3.72)
	iii) Debt instruments through other comprehensive income - net change in fair value		-	(66.12)
	iv) Income tax on above		(3.16)	(13.43)
	Items that will be reclassified to statement of profit or loss in subesequent period			
	i) Exchange differences in translating financial statements of foreign operations		1,384.33	1,186.08
			1,215.90	**1,141.21**
	Total comprehensive income/(loss) for the year		**(73,521.11)**	**(64,395.98)**
	Profit/(Loss) attribuatble to:			
	Owners of the Company		(74,477.45)	(66,535.52)
	Non-Controlling Interests		(259.56)	998.33
	Other Comprehensive Income/(Loss) attributable to:			
	Owners of the Company		1,215.87	1,140.81
	Non-Controlling Interests		0.03	0.40
	Total Comprehensive Income/(Loss) attributable to:			
	Owners of the Company		(73,261.58)	(65,394.71)
	Non-Controlling Interests		(259.53)	998.73
	Earnings per equity share			
	Basic and diluted earnings per share	35	(223.46)	(195.95)
	Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S Z DESHMUKH & CO.
Chartered Accountants

D. U. KADAM
Partner
ICAI Membership No: 125886
Place : Mumbai
Date : December 3, 2019

RAJNEESH GUPTA
Chief Financial Officer

SAMRIDHI KUMARI
Company Secretary
Membership No. ACS 54714

For and behalf of the Board

V. N. DHOOT
Managing Director & CEO
DIN 00092450

S. S. DAYAMA
Director
DIN 00217692

Consolidated Statement of Cash Flows for the year ended March 31, 2019

(₹ in Million)

Particulars			For the year ended March 31, 2019	For the year ended March 31, 2018
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit/(Loss) before tax		(76,243.55)	(71,300.52)
	Adjustments for:			
	Depreciation and amortisation		5,315.94	8,307.57
	Impairment of assets		-	-
	Finance costs		78,858.28	49,479.50
	Provision for warranty and maintenance expenses		(136.91)	(81.53)
	Provision for gratuity		21.53	(10.30)
	Provision for leave encashment		(1.39)	(28.25)
	Provision for abandonment and site restoration costs		119.89	36.06
	Provision for assets retirement obligation		-	66.79
	Provision for doubtful debts		9.94	3,314.57
	Interest income		(25,981.14)	(15,095.47)
	(Income)/Loss from investments and securities division/Loss on investments		(378.51)	1,796.61
	Loss on sale/discard of fixed assets		1,486.81	906.32
	Minority Interest for the year		259.53	(998.73)
	Adjustment of grant		(4.09)	(4.07)
	Operating Profit before Working Capital Changes		**(16,673.67)**	**(23,611.45)**
	Adjustments for:			
	Inventories		11,365.21	14,570.72
	Trade receivables		(2,096.76)	13,250.99
	Other financial and non financial assets		(22,580.77)	(22,710.30)
	Trade payables		(1,592.91)	(6,549.61)
	Other financial and non financial liabilities		440.12	1,197.86
	Cash generated from Operations		**(31,138.78)**	**(23,851.79)**
	Less: Income Taxes (net)		(190.66)	(113.39)
	Net Cash (used in) Operating Activities	**(A)**	**(30,948.12)**	**(23,738.40)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	(Purchase)/Sale of fixed assets (Including capital work-in-progress)		(5.75)	5,345.48
	Interest Income		25,981.14	15,095.47
	Decrease in fixed deposits and other bank balances		1,650.12	5,654.49
	(Purchase)/Sale of investments (Net)		(3,434.40)	4,760.68
	Decrease in goodwill on consolidation		13.82	0.03
	Income/(Loss) from Investments and securities division/Loss on investments		378.51	(1,796.61)
	Net Cash from Investing Activities	**(B)**	**24,583.44**	**29,059.54**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Increase in foreign currency translation reserve on consolidation		1,384.33	1,186.08
	(Decrease) in legal reserve		(0.32)	-
	(Decrease) in minority interest		(259.53)	(501.27)
	Increase/(Decrease) in non-current borrowings		(1,738.27)	44,511.02
	Increase in current borrowings		84,802.07	366.52
	Finance costs		(78,858.28)	(49,479.50)
	Payment of dividend		-	(2.02)
	Net Cash from / (used in) Financing Activities	**(C)**	**5,330.00**	**(3,919.17)**
	Net Change in Cash and Cash Equivalents	**(A+B+C)**	**(1,034.68)**	**1,401.97**
	Cash and Cash Equivalents at beginning of the year		3,389.68	1,987.71
	Cash and Cash Equivalents at end of the year		**2,355.00**	**3,389.68**

As per our report of even date

For S Z DESHMUKH & CO.
Chartered Accountants

D. U. KADAM
Partner
ICAI Membership No: 125886
Place : Mumbai
Date : December 3, 2019

For and behalf of the Board

RAJNEESH GUPTA
Chief Financial Officer

SAMRIDHI KUMARI
Company Secretary
Membership No. ACS 54714

V. N. DHOOT
Managing Director & CEO
DIN 00092450

S. S. DAYAMA
Director
DIN 00217692

Statement of Changes in Equity (SOCIE) for the year ended March 31 , 2019

a) Equity share capital

Particulars	Note	₹ in Million
Balance as at March 31, 2018	15	3,344.59
Changes in equity share capital during the year		-
Balance as at March 31, 2019		3,344.59

b) Other equity

(₹ in Million)

Particulars	Attributable to the owners of the Company											Non Controlling Interest	Total
	Equity component of financial instruments	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Bond/ Debenture Redemption Reserve	General Reserve	Legal Reserve	Retained earnings*	Exchange differences in translating financial statements of foreign operations	Debt instruments through OCI	Equity investments through OCI		
Balance at April 1, 2017	**24.31**	**5.68**	**997.59**	**48,876.99**	**1,218.97**	**16,801.48**	**0.32**	**(37,879.91)**	**(5,370.06)**	**66.12**	**(36.22)**	**1,066.13**	**25,771.40**
Profit for the year	-	-	-	-	-	-	-	(66,535.52)	-	-	-	998.33	(65,537.19)
Other comprehensive income for the year	-	-	-	-	-	-	-	24.57	1,186.08	(66.12)	(3.72)	0.40	1,141.21
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(66,510.95)**	**1,186.08**	**(66.12)**	**(3.72)**	**998.73**	**(64,395.98)**
Deemed equity contribution to promoters	-	-	-	-	-	-	-	(1.50)	-	-	-	-	(1.50)
Transferred to/ from retained earnings	-	-	-	-	3.86	-	-	(3.86)	-	-	-	-	-
Dilution in stake of subsidiary	-	-	-	-	-	-	-	-	-	-	-	(1,500.00)	(1,500.00)
Adjustment on account of additional stake acquired from Non-Controlling interest	-	-	-	-	-	-	-	1,162.50	-	-	-	-	1,162.50
Balance at March 31, 2018	**24.31**	**5.68**	**997.59**	**48,876.99**	**1,222.83**	**16,801.48**	**0.32**	**(103,233.72)**	**(4,183.98)**	**-**	**(39.94)**	**564.86**	**(38,963.58)**
Profit for the year	-	-	-	-	-	-	(0.32)	(74,477.45)	-	-	-	(259.56)	(74,737.33)
Other comprehensive income for the year	-	-	-	-	-	-	-	6.55	1,384.33	-	(175.01)	0.03	1,215.90
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(0.32)**	**(74,470.90)**	**1,384.33**	**-**	**(175.01)**	**(259.53)**	**(73,521.43)**
Balance at March 31, 2019	**24.31**	**5.68**	**997.59**	**48,876.99**	**1,222.83**	**16,801.48**	**-**	**(177,704.62)**	**(2,799.65)**	**-**	**(214.95)**	**305.33**	**(112,485.01)**

* Includes fair valuation impact of Land and Building ₹ 13,266.62 Million for March 2019 and ₹13,876.67 Million in March 2018. Such amounts are not available for distribution as dividend.

As per our report of even date
For S Z DESHMUKH & CO.
Chartered Accountants

D. U. KADAM
Partner
ICAI Membership No: 125886
Place : Mumbai
Date : December 3, 2019

RAJNEESH GUPTA
Chief Financial Officer

SAMRIDHI KUMARI
Company Secretary
Membership No. ACS 54714

For and behalf of the Board
V. N. DHOOT
Managing Director & CEO
DIN 00092450

S. S. DAYAMA
Director
DIN 00217692

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

Note 1

1.1 Corporate Information

The Consolidated Financial Statements comprise financial statements of Videocon Industries Limited ('the Company') and its subsidiaries (collectively referred to as 'the Group') for the year ended March 31, 2019.

The principal activities of the Group, its joint ventures and associates consist of manufacturing and trading of consumer electronics and home appliances products, extraction of crude oil and natural gas and telecommunication services. Further details about the business operations of the Group are provided in Note 67 – Segment Information.

1.2 Basis of preparation and Significant Accounting Policies

A. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

The financial statements of the Company for the year ended March 31, 2019 were approved for issue in accordance with the resolution of the Board of Directors on December 3, 2019. Details of accounting policies are included in Note 1.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the entity's functional currency. All amounts have been rounded off to the nearest rupee in millions with two decimals, unless otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Net defined benefit (asset) / liability – fair value of plan assets less present value of defined benefit obligations.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

D. Key estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

Judgements:

Determination of the estimated useful lives

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the Note 1.2.I – Useful life of property, plant and equipment and intangible assets

Assumptions and estimation uncertainities

Note 1.2.W – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Note 1.2.P – measurement of defined benefit obligations: key actuarial assumptions;

Notes 1.2.Q – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

E. Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial instruments.

The Group has an established control framework with respect to the measurement of fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The management regularly reviews significant unobservable inputs and valuation adjustments.

If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The entity has recognised certain assets at fair value and further information is included in the relevant notes.

F. Basis of consolidation

(i) Business Combinations

As part of its transition to Ind AS, the Group has elected to apply the relevant Ind AS, viz. Ind AS 103, Business combinations, to only those business combinations that occurred on or after the transition date i.e. January 1, 2016.

The Group has accounted merger schemes in a manner prescribed by the High Court orders. The book values of the assets, liabilities and reserves of the Transferor Company have been recorded and the identity of the reserves has been maintained. The excess of book value of the net assets and reserves of the Transferor

Company taken over, over the face value of the shares issued by the transferee Company has been debited to the Goodwill as per the Scheme. Any goodwill that arises is tested annually for impairment.

Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are recognised in the Consolidated Statement of Profit and Loss.

Common control

Business combinations involving entities that are ultimately controlled by the same parties before and after the business combination are considered as Common control entities. Common control transactions are accounted using pooling of interest method. The financial statements in respect of prior periods have been restated from the period that the Transferor Company became a subsidiary of the Transferee Company where the assets and liabilities of the transferee are recorded at their existing carrying values, the identity of reserves of the transferee company is preserved.

(ii) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when the control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter Group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed wherever necessary to ensure consistency with the policies adopted by the Group.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' being an asset in the Consolidated Financial Statement. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the Consolidated Financial Statements. In case of acquisition of additional stake in the existing subsidiary, the excess of purchase consideration over the Group's portion of equity of the subsidiary on the date on which the additional investment is made, is adjusted in equity.

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separately within equity.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and

b) The non-controlling interest's share of movements in equity since the date parent subsidiary relationship came into existence.

The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss and Consolidated Statement of Changes in Equity.

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the Consolidated Statement of Profit and Loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost and the differential is recognised in Consolidated Statement of Profit and Loss. Subsequently, it is accounted for as an equity-accounted investee depending on the level of influence retained.

As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's standalone financial statements.

The companies considered in the preparation of the Consolidated Financial Statements and the shareholding of the Group in these Companies as of March 31, 2019 is as follows:

Subsidiaries	Country of Incorporation	Percentage of Ownership Interest as at	
		March 31, 2019	March 31, 2018
Middle East Appliances LLC (upto April 26, 2018)	Sultanate of Oman	0%	100%
Pipavav Energy Private Limited	India	100%	100%
Prosperous Energy Private Limited	India	100%	100%
Videocon Electronics (Shenzhen) Limited (Chinese Name-Weiyoukang Electronic (Shenzhen) Co., Ltd.)	China	100%	100%
Videocon Global Limited	British Virgin Islands	100%	100%
VOVL Limited	India	100%	100%
Videocon Hydrocarbon Holdings Limited (1)	Cayman Islands	100%	100%
Videocon JPDA 06-103 Limited (2)	Cayman Islands	100%	100%
Videocon Indonesia Nunukan Inc. (2)	Cayman Islands	100%	100%
Videocon Energy Brazil Limited (2)	British Virgin Islands	100%	100%
Videocon Australia WA-388-P Limited (2)	Cayman Islands	100%	100%
Videocon Mauritius Energy Limited (2)	Mauritius	100%	100%
Videocon Brasil Petroleo Ltda(2)	Brazil	100%	100%

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

Subsidiaries	Country of Incorporation	Percentage of Ownership Interest as at	
		March 31, 2019	March 31, 2018
Videocon International Cooperatie U.A. (2) (upto December 27, 2018)	The Netherlands	0%	100%
Videocon Hydrocarbon Ventures B.V. (3) (upto December 27, 2018)	The Netherlands	0%	100%
Videocon Brazil Ventures B.V. (3) (upto December 27, 2018)	The Netherlands	0%	100%
Electroworld Digital Solutions Limited	India	100%	100%
Jumbo Techno Services Private Limited (4)	India	100%	100%
Senior Consulting Private Limited (4)	India	100%	100%
Videocon Telecommunications Limited (4)	India	95.63%	95.63%
Videocon Easypay Private Limited (5)	India	95.63%	95.63%
Videocon Energy Limited	India	100%	100%

Joint Ventures	Country of Incorporation	Percentage of Ownership Interest as at	
		March 31, 2019	March 31, 2018
IBV Brasil Petroleo Limitada (6)	Brazil	50%	50%
Videocon Infinity Infrastructure Private Limited	India	50%	50%

Associate/Partnership Firm	Country of Incorporation	Percentage of Ownership Interest as at	
		31st March, 2019	31st March, 2018
Radium Appliances Private Limited	India	26%	26%
VISPL LLP (7)	India	50%	50%

[1]Subsidiary of VOVL Limited.

[2]Subsidiary of Videocon Hydrocarbon Holdings Limited.

[3]Subsidiary of Videocon International Cooperatie U.A.

[4]Subsidiary of Electroworld Digital Solutions Limited.

[5]Subsidiary of Videocon Telecommunications Limited.

[6]Joint Venture of Videocon Energy Brazil Limited.

[7]Partnership firm of Videocon Telecommunications Limited

(iii) Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted using the equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases.

G. Financial assets

(i) Initial recognition and measurement

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the Consolidated Statement of Profit and Loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

(ii) Classification and subsequent measurement

Financial assets are subsequently classified and measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Management determines the classification of its financial assets at the time of initial recognition or, where applicable, at the time of reclassification. Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

(iii) Debt Instruments

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(a) Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

(b) Measured at fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'Other Income' in the Statement of Profit and Loss.

(c) Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss. In addition, the Company may, at initial recognition, irrevocably designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

(iv) Equity instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(v) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset and associated liability for any amounts it may have to pay.

(vi) Impairment of Financial Asset

Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security deposit collected etc. and expectations about future cash flows.The Fixed Assets or a group of assets (cash generating unit) and Producing Properties are reviewed for impairment at each Balance Sheet date. In case of any such indication, the recoverable amount of these assets or group of assets is determined, and if such recoverable amount of the asset or cash generating unit to which the asset belongs is less than it's carrying amount, the impairment loss is recognised by writing down such assets and Producing Properties to their recoverable amount. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

H. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified as either held at a) fair value through profit or loss, or b) at amortised cost. Management determines the classification of its financial liabilities at the time of initial recognition or, where applicable, at the time of reclassification. The classification is done in accordance with the substance of the contractual arrangement and the definition of a financial liability and an equity instruments.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities at amortised cost includes loan and borrowings, interest accrued but not due on borrowings, trade and other payables. Such financial liabilities are recognised initially at fair value minus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method..

(ii) Financial guarantee contracts

The Group has elected to account all its financial guarantee contracts as financial instruments as specified in Ind AS 109 on Financial Instruments. The Group recognises the commission income on such financial guarantees and accounts for the same in Profit and Loss account over the tenure of the financial guarantee.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realisethe assets and settle the liabilities simultaneously.

I. Property, Plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. If significant parts of PPE have different useful lives, then they are accounted for as seperate items (major components) of PPE.

Plant and Equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". Capital work in progress is carried at cost, comprising of direct cost, attributable interest and related incidental expenditure.

Advances paid towards the acquisition of PPE outstanding at each reporting date are classified as capital advances under Other Non-Current Assets.

PPE are eliminated from financial statement on disposal and gains or losses arising from disposal are recognised in the statement of Profit and Loss in the year of occurrence.

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

(ii) Transition to Ind AS

On transition to Ind AS certain items of property, plant and equipment have been fair valued and such fair value is considered as deemed cost on the transition date.

The Group has elected to apply the exemption available under Ind AS 101 to continue the carrying value as recognised in the financial statements as at the date of transition to Ind AS for other than the items of its property, plant and equipment that have been fair valued, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

(iii) Subsequent expenditure

Subsequent expenditure is capitalisedonly if it is probable that future economic benefits associated with the expenditure will flow to the entity.

(iv) Depreciation

Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is provided to the extent of depreciable amount on straight line method, based on useful life of assets as prescribed in Schedule II to the Companies Act, 2013 with the exception of fixed assets amouting to ₹ 5,000/- or less which are fully depreciated in the year of purchase.

The estimated useful life of items of property, plant and equipment for the current and comparative period are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Buildings	30 years	30 years
Plant and Machinery	15 years	15 years
Furnace	10 years	10 years
Furnitures and Fixtures	10 years	10 years
Computers	3 years	3 years
Electrical Installation	10 years	10 years
Office Equipments	5 years	5 years
Vehicles	10 years	10 years

Leasehold land and Leasehold Improvements is amortised over the period of lease.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

J. Intangible assets

(i) Recognition and measurement

Intangible assets are recognised when it is probable that future economic benefits that are attributable to concerned assets will flow to the Group and the cost of the assets can be measured reliably.

Intangible assets are initially measured at cost and are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

(iii) Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at January 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

(iv) Amortisation

Intangible assets are amortised using the straight-line method over a period of five years.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

(v) Expenditure on research and development

Revenue expenditure pertaining to research and development is charged to revenue under the respective heads of account in the period in which it is incurred. Capital expenditure, if any, on research and development is shown as an addition to fixed assets under the respective heads.

K. Inventories

Inventories are measured at the lower of cost or net realisable value. The cost of inventories is determined using the weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

L. Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated to the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

M. Revenue

Effective April 1, 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. April 1, 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

(i) Sale of goods: Revenue from sale of goods is recognised when significant risks and rewards of ownership in the goods are transferred to the buyer. The Company recognizes revenues on the sale of products, net of returns, discounts, sales incentives/rebate, amounts collected on behalf of third parties (such as sales tax) and payments or other consideration given to the customer that has impacted the pricing of the transaction.

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

N. Recognition of dividend income, interest income or expense

Dividend income is recognised in profit and loss on the date on which the Company's right to receive payment is established.

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the EIR the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions, call and similar options). The expected credit losses are considered if the credit risk on that financial instrument as increased significantly since initial recognition.

O. Foreign currency transactions

Transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences are recognised in profit or loss.

P. Employee benefits

(i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Consolidated Statement of Profit and Loss of the year in which the employee renders the related service.

(ii) Provident Fund - Defined contribution plan

The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

(iii) Gratuity - Defined benefit plan

The Group provides for gratuity to all the eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or termination of employment for an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs on completion of five years of service.

Liability in respect of gratuity is determined using the projected unit credit method with actuarial valuations as on the Balance Sheet date and gains/losses are recognised immediately in the Other Comprehensive Income.Net interest expense and other expenses related to defined benefit plans are recognized in Consolidated Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Consolidated Statement of Profit and Loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Leave Encashment

Liability in respect of leave encashment is determined using the projected unit credit method with actuarial valuations as on the Balance Sheet date and gains/ losses are recognized immediately in the Consolidated Statement of Profit and Loss. The Group presents the above liability/(asset) as current in the balance sheet.

Q. Provisions (other than for employee benefits)

Provisions are recognized when the Group has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

Warranties

Provision for the estimated liability in respect of warranty on sale of consumer electronics and home appliances products is made in the year in which the revenues are recognised, based on technical evaluation and past experience. Warranty provision is accounted as current and non-current provision. Non-current provision is discounted to its present value and the subsequent unwinding effect is passed through Profit and Loss account under Finance Cost.

R. Contingent liabilities and Contingent assets

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Group, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

Disputed demands in respect of custom duty, income tax, sales tax and others are disclosed as contingent liabilities. Payment

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

in respect of such demands, if any, is shown as an advance, till the final outcome of the matter.

Contingent assets are not recognised in the financial statements.

S. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

Leased Assets:

Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Consolidated Ind AS Financial Statements.

Lease payments:

Payments made under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight line basis over the term of the lease unless such payments are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, such increases are recognised in the years in which such benefits accrue.

T. Exploration, Development Costs and Producing Properties:

Pre-acquisition costs:

Expenditure incurred before obtaining the right(s) to explore, develop and produce oil and gas are expensed as and when incurred.

Exploration stage:

Acquisition cost relating to projects under exploration are initially accounted as "Intangible assets under development". The expenses on oil and gas assets that is classified as intangible include:

- acquired rights to explore
- exploratory drilling costs

Cost of Survey and prospecting activities conducted in the search of oil and gas are expensed as exploration cost in the year in which these are incurred If the project is not viable based upon technical feasibility and commercial viability study, then all costs relating to Exploratory Wells is expensed in the year when determined to be dry. If the project is proved to be viable, then all costs relating to drilling of Exploratory Wells shall be continued to be presented as "Intangible Assets under Development".

Development stage:

Acquisition cost relating to projects under development stage are presented as "Capital work-in-progress".

Currently all the wells are under exploration and development stage.

U. Abandonment Costs:

Abandonment Costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

V. Government Grant

Grants are recognised when there is reasonable assurance that the grant will be received and conditions attached to them are complied with. Grants related to depreciable assets are treated as deferred income, which is recognised in the Consolidated Statement of Profit and Loss over the period of useful life of the assets and in the proportions in which depreciation on related assets is charged.

W. Income tax

Income tax comprises current and deferred tax. It is recognised in Consolidated Statement of Profit and Loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit / (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expenses that are taxable or deductible in other years & items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- indexation benefit in relation to investments in subsidiaries, given that the Group does not have any intentions to dispose such investments in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Consolidated Statement of Profit and Loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

X. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of a qualifying asset which necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Y. Operating segments

(i) Basis for segmentation

An operating segment is a component of the entity that engages in business activities from which it may earn and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components and for which discrete financial information is available. Such decision is taken by chief operating decision maker (CODM). Operating segments are reported in a manner consistent with the internal reporting provided to the CODM.

(ii) Business segment

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products or services and serves different markets. Accordingly, the Group has identified 'Consumer electronics and home appliances', 'Crude oil and natural gas' and 'Telecommunications' segments as the primary reportable segments.

(iii) Geographical segment

The Group has engaged in its business primarily within India and outside India.

(iv) Segment information

- Inter-segment transfers: The Group generally accounts for inter-segment sales and transfers at cost plus appropriate margins.
- Allocation of common costs: Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.
- Unallocated items: Unallocated items include general corporate income and expense items which are not allocated to any business segment.
- Segment accounting policies: The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

Z. Translation of the financial statements of foreign branch

(i) Revenue items are translated at average rates.

(ii) Opening and closing inventories are translated at the rate prevalent at the commencement and close of the accounting year, respectively.

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

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

AA. Premiun on Redemption of Bonds/Debentures

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

AB. Share Issue Expenses

Share issue expenses are written off to Securities Premium Account.

AC. Excise and Custom Duty

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

AD. CENVAT/Value Added Tax/Goods and Service Tax

CENVAT/Value Added Tax / Goods and Service Tax benefit is accounted for by reducing the purchase cost of the materials/ fixed assets/services.

AE. Prior Period Items

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

AF. Earnings per share

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The Group has no potentially dilutive equity shares.

AG. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, unrestricted bank balances and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

AH. Current and non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

An asset is classified as current when it satisfies any of the

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realised within twelve months after the Balance Sheet date; or

d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the Balance Sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in, the entity's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within twelve months after the Balance Sheet date; or

d) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the Balance Sheet date.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

AI. Recent accounting pronouncements but not yet effective

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019 and Companies (Indian Accounting Standards) (Second Amendment) Rules, 2019 notifying Ind AS 116 – 'Leases' and making amendments to various other Ind AS standards viz. Ind AS 12 – 'Income Taxes', Ind AS 19 – 'Employee benefits', Ind AS 23 – 'Borrowing Cost', Ind AS 28 – 'Investments in Associates and Joint Ventures', Ind AS 111 – 'Joint Arrangements', Ind AS 103 – 'Business Combinations' and Ind AS 109 – 'Financial Instruments'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB). The amendments are effective from accounting periods beginning from April 1, 2019.

Ind AS 116 – 'Leases':

This standard will supersede Ind AS 17 – 'Leases'. It abolishes for lessees the previous classification of leasing agreements as either operating or finance leases. Instead, Ind AS 116 introduces a single lessee accounting model, requiring lessees to recognise assets for right to use assets and lease liability representing its obligation to make lease payments. This means that leases which were previously not reported in the Balance Sheet will have to be reported in subsequent reporting periods. The depreciation expense will include amortisation of right to use asset and finance costs will include interest expense on lease liability. Ind AS 116 also provides exception from recognition of right to use asset and lease liability where lease term is less than 12 months or leases for which underlying asset is of low value. In such cases, lease payments are recognised as an expense over lease term either on straight-line basis unless another systematic basis is representative of time pattern of the user's benefit. The Company does not expect any significant impact of the amendment on its financial statements.

Amendments to Ind AS 12 – 'Income Taxes':

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Further, the amendment to Appendix C specifies that when an entity is uncertain how tax laws applies to a particular transaction or circumstance until the relevant tax authorities or a court takes a decision in future and it is not probable that taxation authorities may accept entities tax position then entity is required to estimate effect of such uncertain position on income tax and deferred tax.

The Company does not expect any significant impact of the amendment on its financial statements.

Amendment to Ind AS 19 – 'Employee Benefits':

The amendment clarifies that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendment has been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. There is no impact of the amendment on the Company's financial statements.

Amendment to Ind AS 23 – 'Borrowing Cost':

The amendment clarifies borrowing costs related to specific borrowings that remain outstanding after the related qualifying asset is ready for intended use or sale should subsequently be considered as part of general borrowing costs of an entity. The amendment does not have significant impact on the Company's financial statements.

Amendment to Ind AS 28 – 'Investments in Associates and Joint Ventures':

The amendment specifies that entity shall apply Ind AS 109 before applying Ind AS 28 to long term interests in associates and joint ventures that form part of net investment in associate and joint venture but to which equity method is not applied. The amendment does not have significant impact on Company's financial statements.

Amendment to Ind AS 103 – 'Business Combination and Ind AS 111 – Joint Arrangements':

The amendment to Ind AS 103 relating to re-measurement clarifies that when an entity obtains control of a business that is a joint operation, then the entity considers such an acquisition as a business combination achieved in stages and accounts for it accordingly i.e., it re-measures previously held interests in that business.

The amendment to Ind AS 111 clarifies that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.

The Company will apply the pronouncement if and when it obtains control/joint control of a business that is a joint operation.

Amendment to Ind AS 109 – 'Financial instruments':

The amendment relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The amendment does not have any significant impact on the Company's financial statements.

Note 2

Property, Plant and Equipment

(₹ in Million)

Particulars	Freehold Land	Leasehold Land	Building	Leasehold Improvements	Plant and Machinery	Furnace	Electrical Installation	Computers	Furniture and Fixtures	Office Equipments	Vehicles	Others	Total
Cost as at April 1, 2017	12,307.63	1,848.03	12,142.44	765.01	115,604.90	1,377.39	179.02	421.56	312.48	416.82	1,314.70	1.54	146,691.52
Additions	2.97	-	-	-	97.18	-	-	1.10	2.26	2.80	-	0.08	106.39
Disposals	-	1.50	-	50.86	34.04	139.90	0.60	70.07	68.53	39.03	250.12	-	654.65
Cost as at March 31, 2018 (A)	**12,310.60**	**1,846.53**	**12,142.44**	**714.15**	**115,668.04**	**1,237.49**	**178.42**	**352.59**	**246.21**	**380.59**	**1,064.58**	**1.62**	**146,143.26**
Accumulated depreciation as at April 1, 2017	-	28.79	2,363.53	496.61	69,836.47	1,364.29	159.46	401.13	259.17	385.95	1,007.79	1.27	76,304.46
Depreciation for the year	-	0.77	121.91	61.02	7,915.99	-	3.52	8.59	11.68	6.28	81.67	0.04	8,211.47
Disposals/ adjustments / recalssification	-	0.05	-	37.78	24.61	138.50	0.59	69.65	56.66	38.43	221.64	-	587.91
Accumulated depreciation as at March 31, 2018 (B)	**-**	**29.51**	**2,485.44**	**519.85**	**77,727.85**	**1,225.79**	**162.39**	**340.07**	**214.19**	**353.80**	**867.82**	**1.31**	**83,928.02**
Net carrying amount as at March 31, 2018 (A) - (B)	**12,310.60**	**1,817.02**	**9,657.00**	**194.30**	**37,940.19**	**11.70**	**16.03**	**12.52**	**32.02**	**26.79**	**196.76**	**0.31**	**62,215.24**
Cost as at April 1, 2018	12,310.60	1,846.53	12,142.44	714.15	115,668.04	1,237.49	178.42	352.59	246.21	380.59	1,064.58	1.62	146,143.26
Additions	-	-	-	-	24.83	-	-	0.21	0.25	0.90	-	-	26.19
Currency translation adjustment	-	-	-	0.19	-	-	-	0.01	(0.02)	-	0.11	(0.02)	0.27
Disposals/ adjustments	1.56	-	173.94	671.85	154.92	-	-	47.14	31.40	23.10	130.56	-	1,234.47
Recalssification	-	-	-	-	251.78	-	-	-	-	-	-	-	251.78
Cost as at March 31, 2019 (A)	**12,309.04**	**1,846.53**	**11,968.50**	**42.49**	**115,286.17**	**1,237.49**	**178.42**	**305.67**	**215.04**	**358.39**	**934.13**	**1.60**	**144,683.47**
Accumulated depreciation as at April 1, 2018	-	29.51	2,485.44	519.85	77,727.85	1,225.79	162.39	340.07	214.19	353.80	867.82	1.31	83,928.02
Depreciation for the year	-	23.04	699.32	10.03	4,433.38	-	2.85	6.91	6.92	4.96	54.68	0.01	5,242.10
Currency translation adjustment	-	-	-	0.05	-	-	-	0.01	(0.02)	-	0.05	(0.02)	0.07
Disposals/ adjustments	-	-	77.67	489.38	137.29	-	-	47.00	25.18	22.74	89.54	-	888.80
Recalssification	-	-	-	-	129.66	-	-	-	-	-	-	-	129.66
Accumulated depreciation as at March 31, 2019 (B)	**-**	**52.55**	**3,107.09**	**40.55**	**81,894.28**	**1,225.79**	**165.24**	**299.99**	**195.91**	**336.02**	**833.01**	**1.30**	**88,151.73**
Net carrying amount as at March 31, 2019 (A) - (B)	**12,309.04**	**1,793.98**	**8,861.41**	**1.94**	**33,391.89**	**11.70**	**13.18**	**5.68**	**19.13**	**22.37**	**101.12**	**0.30**	**56,531.74**

Notes:

a) The Company has decided to reflect fair value for Land (leasehold and free hold) and Building as the deemed cost as per Ind AS 101. The fair valuation impact for January 1, 2016 is ₹ 11,418.25 Million for freehold land, ₹ 1,814.07 Million for leasehold land and ₹ 8,249.73 Million for Buidling. The numbers are gross and do not include tax effect.

b) Plant and Machinery (Gross Block) includes assets capitalised under finance lease of ₹ 806.14 Million (As at March 31, 2018: ₹ 806.14 Million) and corresponding accumulated depreciation of ₹ 806.14 Million (As at March 31, 2018: ₹ 806.14 Million).

c) Out of the Depreciation for the year, an amount of ₹ Nil (Previous year March 31, 2018: ₹ 0.47 Million) is transferred to “Capital Work-in-Progress”.

d) Net carrying value of vehicles amounting to ₹ 3.61 Million has been re-possessed by the lender due to non payment of loan instalment.

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

Note 3

Other Intangible Assets

(₹ in Million)

Particulars	Computer Software	License/ Spectrum Fees	Producing Properties	Total
Deemed cost as at April 1, 2017	957.73	59.37	181.47	1,198.57
Additions	0.17	-	22.51	22.68
Disposals/ adjustments	10.33	-	-	10.33
Cost as at March 31, 2018 (A)	**947.57**	**59.37**	**203.98**	**1,210.92**
Accumulated depreciation as at April 1, 2017	910.51	21.32	110.91	1,042.74
Depreciation for the year	18.56	2.94	76.90	98.40
Disposals	8.60	-	-	8.60
Accumulated depreciation as at March 31, 2018 (B)	**920.47**	**24.26**	**187.81**	**1,132.54**
Net carrying amount as at March 31, 2018 (A) - (B)	**27.10**	**35.11**	**16.17**	**78.38**
Cost as at April 1, 2018	947.57	59.37	203.98	1,210.92
Additions	0.02	-	42.54	42.56
Disposals/ adjustments	1.86	-	-	1.86
Reclassification	-	29.69	-	29.69
Cost as at March 31, 2019 (A)	**945.73**	**29.68**	**246.52**	**1,221.93**
Accumulated depreciation as at April 1, 2018	920.47	24.26	187.81	1,132.54
Depreciation for the year	13.40	1.73	58.71	73.84
Disposals/ adjustments	1.43	-	-	1.43
Reclassification	-	12.46	-	12.46
Accumulated depreciation as at March 31, 2019 (B)	**932.44**	**13.53**	**246.52**	**1,192.49**
Net carrying amount as at March 31, 2019 (A) - (B)	**13.29**	**16.15**	**-**	**29.44**

The Company has availed the deemed cost exemption in relation to the intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
Note 4A		
Financial Assets - Non Current		
Equity accounted investees		
Unquoted		
a) Investment in equity of associates		
Radium Appliances Private Limited	-	0.01
VISPL LLP	0.22	0.09
b) Investment in equity of joint venture		
IBV Brasil Petroleo Limitada	6,427.18	4,089.23
Total (A)	**6,427.40**	**4,089.33**
Note 4B		
Other Investments		
Quoted		
Investments measured at fair value through other comprehensive income		
Investments in Equity Instruments	61.78	104.68
(Refer Note No. 51)		
Unquoted		
Investments measured at fair value through other comprehensive income		
Investments in Equity Instruments	19,076.34	18,112.12
Investments measured at fair value through profit or loss		
Investments in Co-operative banks	0.64	0.64
Investments measured at amortised cost		
In Redeemable Preference Shares	1,055.18	1,055.18
In Government Securities	0.02	0.02
In Bonds / Debentures (Fully Paid-up)	12,860.00	12,860.00
Total (B)	**33,053.96**	**32,132.64**
Total (A+B)	**39,481.36**	**36,221.97**
Aggregate amount of Quoted Investments	61.78	104.68
Aggregate Market value of Quoted Investments	61.78	104.68
Aggregate amount of Unquoted Investments	39,419.58	36,117.29

	As at March 31, 2019	As at March 31, 2018
Note 5		
Financial Assets - Non Current		
Loans		
Sundry deposits	438.12	249.99
Loans and advances to related parties (Refer Note 64)	166,405.62	132,524.89
Loans and advances to others	92,119.20	92,017.97
	258,962.94	**224,792.85**

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
Note 6		
Financial Assets - Non Current		
Others		
Bank balances other than (10a) below		
Fixed deposits with maturity more than 12 months	5.93	198.57
(Held as margin money for credit facilities and other commitments)		
	5.93	**198.57**
Note 7		
Other non-current assets		
Capital advance	7,382.85	7,612.98
Prepaid Expenses	0.23	-
Balance with government authorities	426.86	439.30
	7,809.94	**8,052.28**
Note 8		
Inventories (valued at lower of cost or net realisable value)		
Raw materials including consumables, stores and spares	996.55	8,179.31
Materials in transit and in bonded warehouse	474.67	702.39
Work-in-process	174.26	1,294.93
Finished goods and stock in trade	593.18	3,465.76
Drilling and production materials	408.50	388.36
Crude oil	77.61	59.23
	2,724.77	**14,089.98**
Note 9		
Financial Assets - Current		
Trade receivables		
Unsecured considered good	9,960.89	7,874.07
Considered Doubtful	3,656.56	3,697.08
	13,617.45	11,571.15
Less: Provision for doubtful debts	3,656.56	3,697.08
	9,960.89	**7,874.07**
Note 10a		
Financial Assets - Current		
Cash and cash equivalents		
Cash on hand	2.86	5.56
Cheques/Drafts on hand/in transit	111.80	111.96
Balance with banks:		
- In current accounts	1,541.35	2,818.20
- Fixed deposits with original maturity less than 3 months	698.99	453.96
	2,355.00	**3,389.68**

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
Note 10b		
Financial Assets - Current		
Bank balances other than cash and cash equivalents		
In dividend warrant accounts	6.21	6.21
In fixed deposits - Earmarked towards site restoration costs	1,485.35	1,388.50
In fixed deposits - Maturity of more that 3 months and less than 12 months		
Held as margin money for credit facilities and other commitments	1,365.23	2,919.56
	2,856.79	**4,314.27**
Note 11		
Financial Assets - Current		
Loans *(Unsecured, considered good, unless otherwise specified)*		
Sundry deposits	160.20	342.63
Loans and advances to related parties (Refer Note 64)	0.86	0.86
Loans and advances to others	100,280.75	111,806.89
	100,441.81	**112,150.38**
Note 12		
Financial Assets - Current		
Others		
Insurance claim receivable	8.39	2.64
Other receivables	519.43	469.77
	527.82	**472.41**
Note 13		
Other current assets		
Deferred guarantee income	-	9.28
Balance with government authorities	2,416.22	2,100.76
	2,416.22	**2,110.04**

Note 14

Share capital

a) Details of the authorised, issued, subscribed and paid-up share capital as below:

(₹ in Million)

		As at March 31, 2019	As at March 31, 2018
i)	**Authorised Capital**		
	1,300,000,000 (March 31, 2018: 1,300,000,000) equity shares of the par value of ₹ 10 each	13,000.00	13,000.00
	20,000,000 (March 31, 2018: 20,000,000) redeemable preference shares of ₹ 100 each	2,000.00	2,000.00
		15,000.00	**15,000.00**
ii)	**Issued, Subscribed and fully Paid up**		
	334,458,875 (March 31, 2018: 334,458,875) equity shares of ₹ 10 each fully paid up	3,344.59	3,344.59
		3,344.59	**3,344.59**

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

b) Reconciliation of the number of shares outstanding at the beginning and end of the year:

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
At the beginning of the year	334,458,875	3,344.59	334,458,875	3,344.59
Issued during the year	-	-	-	-
At the end of the year	334,458,875	3,344.59	334,458,875	3,344.59

c) Rights, Preferences and restrictions attached to equity shares:

i) The Company has a single class of equity shares referred to as equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to equal right of voting and dividend.

ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% of shares held:

Name of Shareholder's	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
a) Electroparts India Private Limited (including amalgamated companies with Electroparts)	26,232,612	7.84	20,517,327	6.13
b) Videocon Realty and Infrastructures Limited	49,629,095	14.84	51,084,195	15.27
c) Deutsche Bank Trust Company Americas (As depository of Global Deposits Receipts)	38,834,979	11.61	38,834,979	11.61

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
Note 15		
Other equity		
Capital Reserve	5.68	5.68
Capital Redemption Reserve	997.59	997.59
Securities Premium Account	48,876.99	48,876.99
Bond/Debenture Redemption Reserve	1,222.83	1,222.83
Legal Reserve	-	0.32
Exchange differences in translating financial statements of foreign operations	(2,799.65)	(4,183.98)
Equity component of compound financial instruments	24.31	24.31
Equity instruments through OCI	(214.95)	(39.94)
General Reserve	16,801.48	16,801.48
Retained Earnings	(177,704.62)	(103,233.72)
	(112,790.34)	**(39,528.44)**

Capital Reserve

Capital reserve represents subsidy received, reserves transferred on account of amalgamation.

Capital Redemption Reserve

The Company recognises the capital redemption reserve from its retained earnings as per the provisions of Companies Act, 2013, as applicable.

Bond/Debenture Redemption Reserve

The Company had issued Foreign currency convertible bonds and as per the provisions of the Companies Act, 2013, is required to create debenture redemption reserve out of the profits of the Company available for the payment of dividend.

Exchange differences in translating financial statements of foreign operations

In accordance with Ind AS 101, the Group has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, (January 1, 2016), in respect of all foreign operations to be Nil at the date of transition. From January 1, 2016 onwards, such exchange differences are recognised through other comprehensive income.

Equity component of compound financial instrument

The account represents the equity component of Foreign currency convertible bonds calculated as per Ind AS 109.

Equity instruments through OCI

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

This account represents the fair value changes in the investments calculated at every reporting date as per Ind AS 109.

Debt instruments through OCI

This account represents the fair value changes in the debt investments calculated at every reporting date as per Ind AS 109

General Reserve

The Company was required to transfer a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provision of companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Retained Earnings

This account includes the amount of profit and loss account transferred to the equity.

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
Minority Interest		
Non-Controlling Interest	305.33	564.86
	305.33	**564.86**

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
Note 16		
Financial Liabilities		
Non current borrowings		
i) **Secured**		
Term loans from banks	-	1,670.33
ii) **Unsecured**	26.00	26.00
Loan from others	**26.00**	**1,696.33**

Details of Non-current borrowings:

Particulars	₹ Million		Carrying rate of interest		Other Details
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	
Principal outstanding					
Secured					
Term loans from banks	-	1,738.27	12.8%	12.8%	Refer note 19(a)
Unsecured					
Loans from others	26.00	26.00	N.A.	N.A.	
Total Principal Outstanding	26.00	1,764.27			
Less: Current maturity of non-current borrowings	-	67.94			
	26.00	**1,696.33**			

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
Note 17		
Provisions		
Provision for gratuity (Refer Note 36)	179.88	179.30
Provision for abandonment and site restoration costs	1,527.58	1,407.69
Provision for warranty and maintenance expenses	138.28	88.59

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
	1,845.74	**1,675.58**
Note 18		
Deferred tax liabilities (net)		
Deferred tax liabilities (net)	1,386.18	2,773.53
	1,386.18	**2,773.53**

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
Note 19		
Financial Liabilities		
Current Borrowings		
Secured		
Term loans from banks	544,727.17	465,352.17
Term loans from financial institutions	16,168.31	14,060.48
Vehicle loan from banks	4.63	8.84
Loans from others	15.83	13.39
Foreign currency convertible bonds	5,457.02	4,948.44
Working capital loans from banks	19,340.79	16,528.36
	585,713.75	**500,911.68**

Details of Current borrowings:

Particulars	**₹ Million**		**Carrying rate of interest**		
	March 31, 2019	**March 31, 2018**	**March 31, 2019**	**March 31, 2018**	**Other Details**
Principal outstanding					
Secured					
Term loans from banks/financial institutions	205,483.45	205,925.80	12.8% to 14.8%	12.8% to 14.8%	Refer note 19(a)
Term loans from banks	224,324.60	143,376.61	12.4% to 17.3%	12.4% to 17.3%	Refer note 19(a)
Term loans from banks	8,592.44	78,668.43	4.4% to 9.2%	4.4% to 9.2%	Refer note 19(a)
Term loans from banks	9,250.00	9,250.00	12.8%	12.8%	Refer note 19(b)
Vehicle loan from banks	4.26	8.84	9.5% to 13.0%	9.5% to 13.0%	Refer note 19(c)
Loans from others	13.39	13.39	12.0%	12.0%	Refer note 19(d)
Foreign currency convertible bonds	5,201.68	4,891.32	4.3%	4.3%	Refer note 19(e)
Working capital loans from banks	16,583.72	15,327.52	12.7% to 15.8%	12.7% to 15.8%	Refer note 19(f)
Total Principal Outstanding	469,453.54	457,461.91			
Add: Interest accrued and due/accrued but not due	116,402.89	43,696.90			
Less: Ind AS reclassification/adjustments	142.68	247.13			
	585,713.75	**500,911.68**			

a) **Details relating to term loans from banks and financial institutions**

Due to default in repayment of the secured loans from the banks and financial institutions, they have recalled the entire loans outstanding. Accordingly, these have been included under short term borrowings.

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

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

Loans amounting to ₹ 165,202.12 Million (As at March 31, 2018 ₹ 165,202.12 Million) are secured by first pari-passu charge on all present and future tangible/intangible assets (excluding the Identified Properties) of each of the Borrower, first pari-passu charge on the Trust and Retention Accounts of the Borrowers, second pari-passu charge on Identified Assets of Videocon Hydrocarbon Holdings Limited's (VHHL) subsidiaries through pledge of entire shareholding of VHHL in these overseas subsidiaries, second charge on pledge of 100% shares of Videocon Oil Ventures Limited and VHHL, second pari-passu charge on VHHL's share of cash flows from Identified Assets and second pari-passu charge over current assets of each of the Borrowers. The Rupee Term Loans are also secured by first ranking pledge over specified numbers of equity shares of Videocon Industries Limited, Trend Electronics Limited and Value Industries Limited held by the promoters, the personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot, Mr. Rajkumar N. Dhoot and first pari-passu charge on 'Videocon' brand (Also Refer Note 41).

ii) The Consortium of certain banks have sanctioned the Letter of Comfort (LoC)/Stand-by Letters of Credit (SBLC) facility to the Company and its subsidiary VOVL Limited (VOVL) (collectively referred to as 'Obligors') to secure the foreign currency facility raised / to be raised by Videocon Hydrocarbon Holdings Limited (VHHL), an overseas subsidiary, from its lenders.

The LoC/SBLC facility aggregating to ₹ 224,324.60 Million (As at March 31, 2018 ₹ 143,376.61 Million) has been invoked by foreign currency lenders of VHHL and recalled from VOVL. Further, the loans amounting to ₹ 8,592.44 Million (As at March 31, 2018 ₹ 80,406.70 Million) were outstanding as on March 31, 2019. All these loans/facilities are secured by first ranking pledge of 100% shares of VOVL, VHHL and shares of certain subsidiaries of VHHL and IBV Brasil Petroleo Limitada, a 50:50 joint venture of a subsidiary of VHHL, charge over fixed assets of certain subsidiaries of VHHL, VHHL's share of cash flows from identified oil & gas assets through escrow of receivables, first ranking / exclusive charge on specified bank accounts for the benefit of the relevant LoC/SBLC provider, exclusive charge on oil & gas facility servicing account of Obligors set-up under the onshore Trust and Retention Accounts, negative lien on shares of certain subsidiaries of VHHL viz. Videocon JPDA 06-103 Limited and Videocon Australia WA-388P Limited, first pari-passu charge on Videocon brand and personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot and Mr. Rajkumar N. Dhoot.

iii) Loans amounting to ₹ 15,031.95 Million (As at March 31, 2018 ₹ 15,474.30 Million) are secured by first pari-passu charge on book debts of consumer electronics and home appliances division which are not charged to bankers for securing working capital loans and first pari-passu charge on equitable mortgage of specified properties owned by the Company and owned by other 6 entities. The loans are further secured by personal guarantee of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot and corporate guarantee of the entities whose properties have been mortgaged.

iv) Loans amounting to ₹ 1,500.00 Million (As at March 31, 2018 ₹ 1,500.00 Million) is secured by mortgage of specified property owned by the Company, negative lien on property owned by other entities and personal guarantee of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

v) Loans amounting to ₹ 23,749.38 Million (As at March 31, 2018 ₹ 23,749.38 Million) are secured by first pari-passu charge on existing and future assets of the Subsidiary Company viz. Videocon Telecommunications Limited (VTL), assignment of all telecom licenses held VTL by way of tripartite agreement to be executed between the Department of Telecommunications, VTL and Lenders and personal guarantee of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

b) Loans amounting to ₹ 9,250.00 Million (As at March 31, 2018 ₹ 9,250.00 Million) is secured by exclusive charge over the land situated at Dist. Rewa, Madhya Pradesh owned by the Subsidiary Company viz. Prosperous Energy Private Limited, stake in PT. Gaung Alam Semesta's coal concession in Indonesia owned by other entities and personal guarantee of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.

c) Details relating to vehicle loans

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

d) Details relating to loans from others

Loans from others amounting to ₹ 13.39 Million (As at March 31, 2018: ₹ 13.39 Million) is secured against surrender value of keyman insurance policy.

e) Details relating to foreign currency convertible bonds

The Company has issued 4.30 per cent foreign currency convertible bonds (Bonds) of US$ 97,200,000 during the year 2015, due on December 31, 2020 (Maturity Date). These Bonds were issued under the exchange offer to the holders of the Bonds of US$ 194,400,000 due on December 16, 2015.

i) The Bonds are convertible at the option of the bondholders into shares, at any time on and after February 9, 2016, up to the close of business on December 21, 2020, at a fixed exchange rate on conversion of ₹ 66.139 per US$ 1.00 and at initial conversion price of ₹ 134.724 per share. The conversion price will be subject to adjustment for, among other things, subdivision or consolidation of shares, bonus issues, dividends, rights issues, distributions and other dilutive events.

ii) The Bonds were redeemable at the option of the holders on June 30, 2016 (Put Option Date). The Company made a partial pre-payment of US$ 22,000,000 on pro-rata basis to all the bondholders on August 3, 2016 in pursuance to the terms of bondholders. Further, the coupon rate was revised to 2.80 per cent payable semi-annually and the put option date was amended to December 30, 2016.

iii) In relation to the Put Option exercised on December 30, 2016, the Company had to enter into Standstill Agreement with the Participating Bondholders under which bondholders agreed standstill till March 31, 2017, on certain terms inter-alia including payment of US$12,000,000 on pro-rata basis to all the bondholders. Subsequently, the Company had to seek approval of the bondholders for re-schedulement of the Bonds by way of extension of put option date to March 31, 2018, subject to satisfaction of certain conditions inter-alia including the approval of Reserve Bank of India. However, the said re-schedulement could not become effective and accordingly it is claimed by the bond holders that the entire FCCBs are due and payable. The Company has termed same being illegal and premature. Accordingly, the amount of foreign currency convertible bonds has been shown under short-term borrowings.

iv) The Bonds were compelled to be secured by way of an exclusive first ranking security interest over 40 percent of the issued equity share capital of Videocon Telecommunications Limited held by the Company and other shareholders, in favour of the Security Trustee; and by an unconditional and irrevocable personal guarantee of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N Dhoot. However it is the case of the

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

company that the put option clause was mentioned in the contract under duress and no amount has yet become due and payable and had filed claim challenging the action of the bondholders in court of London.

f) Details relating to working capital loans from banks

Working capital loans from banks are secured by hypothecation of the Company's stock of raw materials, packing materials, stock-in-process, finished goods, stores and spares, book debts of glass shell division and personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot and Mr. Rajkumar N. Dhoot.

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
Note 20		
Financial Liabilities - Current		
Trade payables		
Total outstanding due to micro and small enterprises	129.57	171.77
Total outstanding due to creditors other than micro and small enterprises	13,646.51	15,197.22
	13,776.08	**15,368.99**
Note 21		
Financial Liabilities - Current		
Others		
Current maturities of non-current borrowings	-	67.94
Sundry Deposits	1.94	-
Bank overdraft as per books	125.69	23.97
Unclaimed dividend	6.21	6.21
Creditors for capital expenditure	269.75	274.25
Other payables	9,358.91	8,336.05
	9,762.50	**8,708.42**
Note 22		
Other current liabilities		
Advances from customers and unearned income	1.77	82.87
Others	555.34	1,165.88
	557.11	**1,248.75**
Note 23		
Provisions		
Provision for gratuity (Refer Note 36)	80.27	59.32
Provision for leave encashment (Refer Note 36)	49.79	51.18
Provision for assets retirement obligations	74.56	74.56
Provision for warranty and maintenance expenses	270.91	457.51
	475.53	**642.57**
Movement of provision for warranty and maintenance expenses		
At the commencement of the year	546.10	627.63
Provision made during the year	425.60	598.85
Utilisation of provisions	359.51	639.23
Discounting of nun current provision	16.40	41.15
Unused amount reversed during the year	186.60	-
At the end of the year	409.19	546.10

Provision for warranty and maintenance expenses

A provision is estimated for expected warranty claims in respect of products sold on the basis of a technical evaluation and past experience regarding failure trends of products and costs of rectification and replacement. The costs include expenses to be incurred for repairs, replacement, material cost and servicing. It is expected that this expenditure will be incurred over the contractual warranty period that is usually one year and for certain of cases extended warranty for two to five years.

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

(₹ in Million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 24		
Revenue from operations		
Sale of products / services	8,894.26	29,666.53
Income from other services	111.02	218.69
Other operating revenue	104.98	190.37
	9,110.26	**30,075.59**
Note 25		
Other income		
Interest income	25,981.14	15,095.47
Income from investments and securities division	379.30	421.69
Exchange rate fluctuation	11,281.14	2,248.60
Insurance claim received	0.53	7.53
Guarantee commision	-	49.12
Other non operating income	981.26	3,032.74
	38,623.37	**20,855.15**
Note 26		
Cost of materials consumed		
Electrical and Electronic items	8,779.15	25,223.21
	8,779.15	**25,223.21**
Note 27		
Purchase of stock-in-trade		
Electrical and Electronic items	538.89	9,006.11
	538.89	**9,006.11**
Note 28		
Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening inventory		
Finished goods and stock-in-trade	3,532.61	4,422.12
Work-in-process	1,294.93	1,470.15
	4,827.54	**5,892.27**
Closing inventory		
Finished goods and stock-in-trade	670.79	3,532.61
Work-in-process	174.26	1,294.93
	845.05	**4,827.54**
Changes in inventory	**3,982.49**	**1,064.73**
Note 29		
Production and exploration expenses - Oil and Gas		
Production and exploration expenses	1,214.26	1,874.38
Royalty	133.40	114.79
Cess	135.57	165.17
Production bonus	23.83	25.99
Government share in profit petroleum	3,124.93	2,454.44
Insurance expenses	11.50	4.07
	4,643.49	**4,638.84**

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

(₹ in Million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 30		
Access charges, license fees and network expenses		
Access and roaming charges	4.88	1,306.14
License fees and WPC charges	0.94	4.30
Rent	0.99	8.13
Leased line, port and bandwidth charges	4.01	64.52
Power and fuel	0.01	9.55
IT expenses	-	7.23
Other value added services charges	-	0.90
Network expenses- Others	0.37	8.29
Freight and carriage expenses	0.07	0.34
Repairs and maintenance- Site buildings	-	1.55
	11.27	**1,410.95**
Note 31		
Employee Benefits Expenses		
Salary, Wages and Other Benefits	1,143.34	2,092.14
Contribution to Provident Fund and Other Funds	68.68	119.33
Staff Welfare Expenses	22.34	100.31
	1,234.36	**2,311.78**
Note 32		
Finance Costs		
Interest expense on financial liabilities measured at amortised cost	45,340.62	41,640.37
Other borrowing costs	33,468.70	7,730.14
Unwinding of discount on warranty provision	16.40	10.36
Unwinding of discount on site restoration provision	32.56	98.63
	78,858.28	**49,479.50**
Note 33		
Other Expenses		
Power, fuel and water	95.33	157.85
Freight and forwarding	98.40	582.93
Vehicle running expenses	106.30	240.68
Rent, rates and taxes	112.63	245.04
Repairs to building	0.07	1.14
Repairs to plant and machinery	7.44	11.88
Other repairs and maintenance	19.31	61.13
Insurance	22.10	40.06
Advertisement and publicity	120.55	429.63
Sales promotion expenses	0.90	54.35
Banking and other finance charges	171.99	204.32
Payment to auditors	9.46	13.36
Directors' sitting fees	-	1.14
Legal and professional charges	151.20	732.26
Customer service cost	-	0.13
Royalty	-	117.70

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

(₹ in Million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Printing and stationery	2.51	6.77
Warranty and maintenance	219.95	890.91
Provision for doubtful debts	9.94	3,314.57
Provision for doubtful advances	528.10	-
Loss on sale of fixed assets	1,486.81	906.32
Loss on sale of investments	0.79	2,218.30
Receivables written off	267.46	-
Office and general expenses	817.65	1,820.78
	4,248.89	**12,051.25**

Note 34

Income Taxes

a) Amounts recognised in statement of profit and loss		
Current tax expense	-	0.29
Changes in estimates related to prior period	-	0.09
Deferred tax expense		
Origination and reversal of temporary differences	(1,506.54)	(5,763.71)
Tax expense for the year	**(1,506.54)**	**(5,763.33)**
b) Amounts recognised in other comprehensive income		
Deferred tax on remeasurements of the defined benefit plans	3.16	13.43
	3.16	**13.43**

Deferred Tax assets and liabilities are attributable to the following:

(₹ in Million)

Particulars	Net deferred tax asset/ (liabilities)	
	March 31, 2019	March 31, 2018
Property, plant and equipment	(9,425.11)	(11,389.81)
Expenses allowable in future	3,955.20	5,869.89
Unabsorbed depreciation and losses	4,134.50	2,928.97
Fair valuation of investments through OCI	-	(47.42)
Borrowing Costs - EIR	(23.85)	(45.78)
Site Restoration Liability	(58.31)	(55.03)
FCCB	14.56	-
Warranty Provision	-	(18.26)
Corporate Guarantee	-	(34.39)
Others	16.83	18.30
Net deferred tax assets/(liabilities)	**(1,386.18)**	**(2,773.53)**

Movement in Temporary differences:

(₹ in Million)

Particulars	Balance as at April 1, 2017	Recognised in Profit and Loss during 2017-18	Recognised in OCI during 2017-18	Balance as at March 31, 2018	Adjustment	Recognised in Profit and Loss during 2018-19	Recognised in OCI during 2018-19	Balance as at March 31, 2019
Property, Plant and Equipment	(12,781.61)	1,391.80	-	(11,389.81)	(116.03)	2,080.73	-	(9,425.11)
Expenses allowable in future	2,967.02	2,902.87	-	5,869.89	-	(1,914.69)	-	3,955.20
Unabsorbed depreciation and losses	1,224.86	1,704.11	-	2,928.97	-	1,205.53	-	4,134.50
Fair valuation of investments through OCI	(47.01)	(0.41)	-	(47.42)	-	47.42	-	0.00
Borrowing Costs - EIR	(72.53)	26.75	-	(45.78)	-	21.93	-	(23.85)
Site Restoration Liability	45.62	(100.65)	-	(55.03)	-	(3.28)	-	(58.31)
FCCB	0.07	(0.07)	-	-	-	14.56	-	14.56
MAT credit entitlement	73.05	(73.05)	-	-	-	-	-	-
Remeasurements of defined benefit obligation	-	13.43	(13.43)	-	-	3.16	(3.16)	-
Warranty provision	(4.02)	(14.24)	-	(18.26)	-	18.26	-	-
Corporate guarantee	50.82	(85.21)	-	(34.39)	-	34.39	-	-
Others	19.92	(1.62)	-	18.30	-	(1.47)	-	16.83
Total	**(8,523.81)**	**5,763.71**	**(13.43)**	**(2,773.53)**	**(116.03)**	**1,506.54**	**(3.16)**	**(1,386.18)**

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

Note 35

Earnings per share (EPS)

Basic EPS calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of equity shares outstanding during the year/period and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
Basic and diluted earnings per share for ordinary shareholders			
a)	Profit/(Loss) attributable to equity shareholders (₹ Million)	(74,737.01)	(65,537.19)
b)	Weighted average number of equity shares	334,458,875	334,458,875
c)	Basic and diluted earnings per share (₹)	(223.46)	(195.95)
d)	Nominal value of equity shares (₹)	10.00	10.00

Note:

a) Weighted average number of shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

b) The effect of conversion option of FCCBs is anti dilutive in nature.

c) The financial institutions have a right to convert, at their option, the whole outstanding amount of term loans or a part not exceeding 20% of defaulted amount of loan, whichever is lower, into fully paid up equity shares of the Company at par on default in payments/repayments of three consecutive installments of principal and/or interest thereon or on mismanagement of the affairs of the Company. Such conversion are considered to be anti-dilutive in nature and hence not considered for computation of the diluted earnings per share.

Note 36

Employee benefits

A) Defined Contribution Plans:

The contributions paid/payable to Provident Fund, Employees State Insurance Scheme, Employees Pension Schemes, 1995 and other funds, are determined under the relevant approved schemes and/or statutes and are recognised as expense in the Consolidated Statement of Profit and Loss during the year/period in which the employee renders the related service. There are no further obligations other than the contributions payable to the approved trusts/appropriate authorities.

The Group has recognised the following amounts in the consolidated statement of profit and loss for the year.

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Employer's contribution to Provident Fund and ESIC	68.68	119.33
	68.68	**119.33**

B) Defined Benefit Plan: Gratuity

The Group provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity was carried out as at March 31, 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Defined benefit obligation	258.35	281.48
Less: Fair value of plan assets	19.74	63.02
Net defined benefit obligations	**238.61**	**218.46**

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

Fair value of the plan assets and present value of the defined benefit liabilities

The amount included in the Balance sheet arising from the Group's obligations and plan assets in respect of its defined benefit schemes is as follows:

i) Movement in defined benefit obligations:

(₹ in Million)

Particulars	Gratuity (Funded)		Gratuity (Non-Funded)		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
At the beginning of the year	281.48	331.20	21.63	9.47	0.37	5.05
Liabilities assumed on business combination	0.53	1.22	-	-	-	-
Recognised in profit or loss						
Current service cost	18.33	30.89	0.15	0.19	0.04	0.08
Interest cost	18.94	21.25	0.91	0.76	0.02	0.40
Past service cost	(2.29)	8.28	-	-	-	-
Recognised in other comprehensive income						
Actuarial (gains)/losses on obligations	(9.04)	(31.95)	(0.70)	(6.45)	0.19	(3.88)
Unextinguished employee liabilities assumes	-	-	-	20.08	-	-
Benefit payable	(49.60)	(79.41)	-	-	-	-
Benefit paid	-	-	(0.45)	(2.42)	(0.15)	(1.28)
At the end of the year	**258.35**	**281.48**	**21.54**	**21.63**	**0.47**	**0.37**

ii) Movement in fair value of plan assets:

(₹ in Million)

Particulars	Gratuity (Funded)	
	March 31, 2019	March 31, 2018
At the beginning of the year	63.02	90.53
Recognised in profit or loss		
Interest income	3.70	5.52
Expected return on plan assets	(1.96)	(0.71)
Recognised in other comprehensive income		
Actuarial gains/(losses)		
Employer contributions	0.55	3.56
Benefit paid	(45.57)	(35.88)
At the end of the year	**19.74**	**63.02**

iii) Expense recognised in the Statement of profit and loss and Other comprehensive Income:

(₹ in Million)

Particulars	Gratuity (Funded)		Gratuity (Non-Funded)		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Recognised in the Statement of profit and loss						
Current service cost	18.33	30.89	0.15	0.19	0.04	0.08
Interest expense	18.94	21.25	0.91	0.76	0.02	0.40
Past service cost	(2.29)	8.28	-	-	-	-
Interest income	3.70	5.52	-	-	-	-
For the year	**31.28**	**54.90**	**1.06**	**0.95**	**0.06**	**0.48**
Recognised in the Other comprehensive income						
Actuarial (gains) / losses on obligations	(9.04)	(31.95)	(0.70)	(6.45)	0.19	(3.88)
Actuarial (gains) / losses on plan assets	1.96	0.71	-	-	-	-
For the year	**(7.08)**	**(31.24)**	**(0.70)**	**(6.45)**	**0.19**	**(3.88)**

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

iv) Actuarial assumptions:

The principal actuarial assumptions used for estimating the Group's benefit obligations are set out below (on a weighted average basis):

Particulars	March 31, 2019	March 31, 2018
Rate of increase in salaries (%)	5% to 7% per annum	5% per annum
Discount rate	6.95% to 7.75% per annum	7% to 7.50% per annum
Employee turnover rate	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
Mortality rate	Indian assured life mortality (2006-2008) ultimate	Indian assured life mortality (2006-2008) ultimate

v) Sensitivity of the defined benefit obligation:

(₹ in Million)

Particulars	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Gratuity				
Discount rate (0.50% movement)	(251.78)	264.32	(273.82)	289.57
Rate of increase in salaries (0.50% movement)	263.95	(251.98)	289.43	(273.94)
Withdrawal rate (10% movement)	(258.45)	257.29	(282.26)	280.64

The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

vi) The expected future cash flows as at March 31, were as follows:

(₹ in Million)

Particulars	Upto 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
Defined benefit obligations:					
Gratuity - Funded					
March 31, 2019	21.75	21.85	54.50	108.33	206.43
March 31, 2018	24.43	26.74	59.78	138.67	249.62
Gratuity - Non funded					
March 31, 2019	0.02	0.03	0.92	0.11	1.08
March 31, 2018	0.21	0.22	0.70	3.45	4.58
Leave encashment - Non funded					
March 31, 2019	0.01	0.01	0.30	0.05	0.37
March 31, 2018	0.18	0.17	0.48	1.75	2.58

Note 37

Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

(₹ in Million)

As at March 31, 2019	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level1	Level2	Level3	Total
Non-current financial assets								
Investments in equity shares	0.64	19,138.12	-	19,138.76	61.78	-	19,076.98	19,138.76
Investments in preference shares/ bonds/debentures	-	-	13,915.20	13,915.20	-	13,915.20	-	13,915.20
Loans	-	-	258,962.94	258,962.94	-	258,962.94	-	258,962.94
Others	-	-	5.93	5.93	-	5.93	-	5.93
Current financial assets								
Trade receivables	-	-	9,960.89	9,960.89				
Cash and cash equivalents	-	-	2,355.00	2,355.00				
Other bank balances	-	-	2,856.79	2,856.79				
Loans	-	-	100,441.81	100,441.81				
Other current financial assets	-	-	527.82	527.82				
	0.64	**19,138.12**	**389,026.38**	**408,165.14**	**61.78**	**272,884.07**	**19,076.98**	**292,022.83**
Non-current financial liabilities								
Borrowings	-	-	26.00	26.00	-	26.00	-	26.00
Current financial liabilities								
Borrowings	-	-	585,713.75	585,713.75				
Trade payables	-	-	13,776.08	13,776.08				
Others	-	-	9,762.50	9,762.50				
	-	**-**	**609,278.33**	**609,278.33**	**-**	**26.00**	**-**	**26.00**

(₹ in Million)

As at March 31, 2018	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level1	Level2	Level3	Total
Non-current financial assets								
Investments in equity shares	0.64	18,216.80	-	18,217.44	104.68	-	18,112.76	18,217.44
Investments in preference shares/ bonds/debentures	-	-	13,915.20	13,915.20	-	13,915.20	-	13,915.20
Loans	-	-	224,792.85	224,792.85	-	224,792.85	-	224,792.85
Others	-	-	198.57	198.57	-	198.57	-	198.57
Current financial assets								
Trade receivables	-	-	7,874.07	7,874.07				
Cash and cash equivalents	-	-	3,389.68	3,389.68				
Other bank balances	-	-	4,314.27	4,314.27				
Loans	-	-	112,150.38	112,150.38				
Other current financial assets	-	-	472.41	472.41				
	0.64	**18,216.80**	**367,107.43**	**385,324.87**	**104.68**	**238,906.62**	**18,112.76**	**257,124.06**
Non-current financial liabilities								
Borrowings	-	-	1,696.33	1,696.33	-	1,696.33	-	1,696.33
Current financial liabilities								
Borrowings	-	-	500,911.68	500,911.68				
Trade payables	-	-	15,368.99	15,368.99				
Others	-	-	8,708.42	8,708.42				
	-	**-**	**526,685.42**	**526,685.42**	**-**	**1,696.33**	**-**	**1,696.33**

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include :

- the fair value of certain unlisted equity shares are determined based on the income approach or the comparable market approach.
- the fair value preference shares and the remaining financial instruments is determined using discounted cash flow analysis. The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.

The investments included in level 3 of the fair value hierarchy have been valued using the discounted cash flow technique to arrive at the fair value.

B. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

i) Credit risk;

ii) Liquidity risk; and

iii) Interest risk

Risk management framework

The Group's financial liabilities comprise of borrowings, trade payable and other liabilities to manage its operations and the financial assets include trade receivables, deposits, cash and bank balances, other receivables etc. arising from its operation.

Corporate Insolvency Resolution Process (CIRP) has been initiated in case of the Company and three of its subsidiaries under the Provisions of the Insolvency and Bankruptcy Code, 2016 (the Code). Pursuant to the order, the management of affairs of the Company and powers of board of directors of the Company stand vested with the Resolution Professional (RP) appointed by the NCLT. The framework and the strategies for effective management will be established post implementation of Resolution Plan. Presently, the financial management activities are restricted to management of current assets and liabilities of the Company and the day to day cashflow and its associated risks are as under:

i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

a) Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

The Company has a policy under which each new customer is analysed individually for creditworthiness before offering credit period and delivery terms and conditions. The Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The following table provides information about the exposure to credit risk for trade receivables:

(₹ in Million)

	Gross carrying amount	
	As at March 31, 2019	**As at March 31, 2018**
Past due not impaired		
Past due 1-30 days	1,149.54	272.69
Past due 31-60 days	18.42	219.40
Past due 61-90 days	794.13	353.60
Past due 91-120 days	147.79	172.32
Past due 121-180 days	1,172.43	500.57
More than 180 days	6,678.58	6,355.49
Total	**9,960.89**	**7,874.07**

Management has analysed the debtors outstanding as of March 31, 2019 and concluded that the history of bad debts on the profile of its current debtors is insignificant. The debtors which are outstanding as of March 31, 2019 have been generally regular in making payments and hence it does not expect significant impairment losses on its current profile of outstanding debtors. The debtors which have defaulted in the past are mostly on account of any litigations and its experience regarding bad debts has been very low in the past.

b) Cash and cash equivalents and Other bank balances

The Group held cash and cash equivalents and other bank balances of ₹ 5,211.79 Million as at March 31, 2019 (March 31, 2018: ₹ 7,703.95 Million). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

c) **Investments**

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

d) **Other financial assets**

Other than trade and other receivables, the Group has no other financial assets that are past due not impaired.

ii) **Liquidity risk**

The Company and three of its subsidiaries are under CIRP. The Company depends upon timely receipt from sales and delay in sales realisation as well as vendor payments can severely impact the current level of operation. Liquidity crises had led to default in repayment of principal and interest to lenders. Since the Company and three of its subsidiaries are under CIRP, it is not required to meet any loan or interest obligation till the resolution plan is implemented.

Liquidity risk is the financial risk that is encountered due to uncertainty resulting in difficulty in meeting its obligations. An entity is exposed to liquidity risk if markets on which it depends are subject to loss of liquidity for any reason; extraneous or intrinsic to its business operations, affecting its credit rating or unexpected cash outflows. A position can be hedged against market risk but still entails liquidity risk. Prudence requires liquidity risk to be managed in addition to market, credit and other risks as it has tendency to compound other risks. It entails management of assets, liabilities focused on a medium to long-term perspective and future net cash flows on a day by day basis in order to assess liquidity risk.

As the Company and three of its subsidiaries are under IBC, Liquidity Periodic budget and rolling forecasts shall be determined during CIRP.

iii) **Interest risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect Statement of profit or loss.

Group's interest rate risk arises from borrowings. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group's is as follows:

(₹ in Million)

Borrowings	As at March 31, 2019	As at March 31, 2018
Variable rate borrowings		
Non current borrowings		
a) Secured		
Term loans from banks	-	1,670.33
b) Unsecured		
Loan from others	26.00	26.00
Current maturities of long term borrowings	-	67.94
Current borrowings		
Secured		
Term loans from banks	544,727.17	465,352.17
Term loans from financial institutions	16,168.31	14,060.48
Vehicle loan from banks	4.63	8.84
Loans from others	15.83	13.39
Foreign currency convertible bonds	5,457.02	4,948.44
Working capital loans from banks	19,340.79	16,528.36
Total	**585,739.75**	**502,675.95**

Fair value sensitivity analysis for fixed-rate instruments

All the borrowings of Group are at variable interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. In cases where the related interest rate risk is capitalised to fixed assets, the impact indicated below may affect the Group's income statement over the remaining life of the related fixed assets.

(₹ in Million)

Particulars	Profit or (Loss) before tax	
	100bp increase	**100bp decrease**
March 31, 2019	(5,857.40)	5,857.40
March 31, 2018	(5,026.76)	5,026.76

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

Note 38

Capital Management

The Groups's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings, less cash and cash equivalents and bank deposits. Adjusted equity comprises all components of equity.

The entity monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

The Group's adjusted net debt to equity ratio is as follows:

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non current borrowings	26.00	1,696.33
Current borrowings	585,713.75	500,911.68
Current maturity of long term borrowings	-	67.94
Gross Debt	**585,739.75**	**502,675.95**
Less: Cash and cash equivalents	2,355.00	3,389.68
Less: Other bank balances	2,856.79	4,314.27
Adjusted Net Debt	**580,527.96**	**494,972.00**
Total Equity	(109,445.75)	(36,183.85)
Adjusted Net Debt to Total Equity	**(5.30)**	**(13.68)**

(₹ in Million)

	As at March 31, 2019	As at March 31, 2018
Note 39		
Contingent Liabilities and Commitments (to the extent not provided for):		
Commitments:		
Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	804.60	745.49
Contingent Liabilities not provided for:		
i) Letters of Guarantees	29,001.10	31,819.28
ii) Letters of Credit opened (including Standby Letters of Credit and Letter of Comfort)	-	45.31
iii) Claims against the Company not acknowledged as debts		
a) Custom Duty demands and penalties under dispute	4,656.11	260.65
[Amount paid under protest ₹ 3.09 Million (As at March 31, 2018 ₹ 0.17 Million)]		
b) Income Tax demands under dispute	3,166.00	3,170.60
[Amount paid under protest ₹ 17.86 Million (As at March 31, 2018 ₹ 17.86 Million)]		
c) Excise Duty and Service Tax demands and penalties under dispute	7,196.04	2,663.83
[Amount paid under protest ₹ 230.02 Million (As at March 31, 2018 ₹ 235.08 Million)]		
d) Sales Tax demands under dispute	4,820.06	484.63
[Amount paid under protest ₹ 66.47 Million (As at March 31, 2018 ₹ 76.79 Million)]		
e) Others	2,545.45	4,505.14
[Amount paid under protest ₹ 50.00 Million (As at March 31, 2018 ₹ 50.00 Million)]		

f) Show Cause Notices (SCNs) have been served on the Operator of the Ravva Oil & Gas Field Joint Venture (Ravva JV) for non payment of Service Tax and Educational Cess on various services for the period July 2003 to March 31, 2014. The amount involved relating to Ravva Block is ₹ 263.72 Million (As at March 31, 2018 ₹ 263.72 Million). The Operator is contesting the SCNs/demands before Commissioner of Service Tax and has filed appeal before CESTAT, Bangalore and also writ petition before Hon'ble High Court of Madras challenging service tax demands on some of the services and believes that its position is likely to be upheld. The ultimate outcome of the matter cannot be presently determined and no provision for any liability that may result has been made in the accounts as the same is subject to agreement by the members of the Joint Venture. The High Court of Judicature at Madras has granted stay on imposing service tax on royalty required to be paid or deposited under the provision of the Oilfields (Regulation and Development) Act, 1948. This interim order to stay will not come in the way of the Revenue for conducting and completing its assessment and enquiry, pursuant to the impugned show cause notice. Should it ultimately become payable, the Company's share as per the participating interest would be upto ₹ 65.93 Million (As at March 31, 2018 ₹ 65.93 Million).

g) The Supreme court of India in the case of Regional Provident Fund Commissioner Vs. Vicekananda Vidya Mandir and Others [LSI-62-SC-2019(NDEL)] has rendered a decision dated February 28, 2019 with reference to the Employees Provident Fund and Miscellaneous Provisions Act, 1952 on a common question of law as to whether special allowance paid by an establishment to its employees would fall within the expression of 'basic wages' under section 2(b)(ii) read with section 6 of the Act for the purpose of computation of deduction towards provident fund. The Supreme Court has held that in order to exclude the allowance from the ambit basic wages, there must be evidence to show that the workman concerned has become eiligible to get the extra amount beyond the normal work which he was otherwise required to put in. The test laid down by the Supreme Court will now have to be applied to each and every allowance to examine whether the allowance is excluded from the purview of wages or not. If the test for exclusion is met, then the said allowance would not form part of wages for the purpose of contribution under the Act. The Company is evaluating the impact of the decision of the Supreme Court on provident fund liability on account of various allowances to its employees. Pending necessary clarifications on the subject, no provision is considered necessary.

Note 40

There are certain disputes with the Government of India ("GOI") with respect to the Production Sharing Contract dated October 28, 1994 ("Ravva PSC") pertaining to Ravva Oil & Gas Field which were referred to more than one international arbitration for resolution. The respective International Arbitral Tribunals have issued their respective Awards from time to time substantially in favour of the Company. However the GOI has preferred to challenge few of the Awards in various Courts in India and overseas but has not succeeded so far in any of the Courts. With regard to dispute towards ONGC Carry cost, the final order was passed by the Tribunal on October 25, 2016, upholding that no further amounts are due from the Claimants i.e. in the Company's favour. GOI's challenge of the final award has been dismissed by the Malaysian High Court and the next appellate court in Malaysia i.e. Malaysian Court of Appeal. GOI then filed an appeal at Federal Court of Malaysia. The matter was heard on February 28, 2019 and the Federal Court dismissed GOI's leave to appeal. The Operator has also filed for the enforcement of the partial award and final award with Delhi High Court.

With regard to dispute towards Base Development Cost ("BDC") and under payment of Profit Petroleum, Joint venture partners initiated the arbitration proceedings and Arbitration Tribunal published the Award allowing claimants (including the Company) to recover the development costs spent to the tune of ₹ 19,229.62 Million (US$ 278 Million) and disallowed over run of ₹ 1,521.77 Million (US$ 22 Million) spent in respect of BDC along with 50% legal costs. The High Court of Kuala Lumpur as well as Court of Appeal dismissed GOI's application of setting aside the part of the Award. GOI challenge to the same before the Federal Court of Malaysia was also dismissed by the Federal Court on May 17, 2016. The Company has filed an application for enforcement of award before Delhi High Court.

Pending final resolution of the disputes, certain amounts have been excess recovered, deducted or short paid by the GOI and / or its Nominees which have been challenged by the Company and the Company is seeking recovery of amounts excessively recovered, deducted or short paid by the GOI and/ or its Nominees. Any further sum required to be paid by the Company or recoverable by the Company in respect of any of these disputes in accordance with the award of the Hon'ble Arbitral Tribunal/relevant courts in this regard shall be accounted for on the final outcome in those matters.

Note 41

The Company alongwith the subsidiariy Electroworld Digital Solutions Limited (EDSL), Videocon Telecommunications Limited (VTL) and 11 other entities (collectively referred to as 'Obligors' or individually as 'Borrower') executed Facility Agreement with the consortium of existing domestic rupee term lenders (RTL Lenders), under the obligor/co-obligor structure, wherein all the Rupee Term Loans of the Obligors are pooled together. The Borrower entities are Videocon Industries Limited, Value Industries Limited, Trend Electronics Limited, KAIL Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Sky Appliances Limited, Techno Electronics Limited, Century Appliances Limited, PE Electronics Limited, Techno Kart India Limited, Evans Fraser and Co. (India) Limited, Electroworld Digital Solutions Limited and Videocon Telecommunications Limited.

As per the said Facility Agreement, the Company is agent of the Obligors and has been referred to as 'Obligor Agent'. The Rupee Term Loans have to be utilised for the purpose mentioned in the Facility Agreement which is mainly for refinancing of existing Rupee Term Loans of the Obligors. Accordingly, the Rupee Term Loans were allocated to respective Obligors based on their outstanding amount as on December 31, 2011 by the Company. However, the lenders have not allocated the loans to respective Obligors based. The lenders have also directly disbursed further amounts to some of the Obligors. As the Company, EDSL and VTL are co-obligors, they are contingently liable in respect of the borrowings of other Obligors/Borrowers to the extent of outstanding balance of Rupee Term Loans as on March 31, 2019 of ₹ 23,345.34 Million (As at March 31, 2018 ₹ 23,345.34 Million).

Note 42

The Directorate of Revenue Intelligence, Mumbai Zonal Unit ('DRI') has issued Show Cause Notice(s) ('SCN') dated September 10, 2014 and December 30, 2014 to the Company in connection with import of Colour Picture Tubes ('CPTs') by the Company and other concerns. Vide SCNs, the Company has been asked to explain / as to why the declared value of CPTs imported should not be rejected and re-determined and why the amount of anti-dumping duty of ₹ 1,657.21 Million and penalty thereon should not be recovered under the extended period under the provisions of the Customs Act, 1962.

In order to buy peace, the Company filed application with the Adjudication Authority who vide order dated April 20, 2017 determined that the declared value of the Company is liable to be rejected and re-determined under Customs Valuation Rules read with Section 14 of the Customs Act, 1962 and the Company is liable to payment of anti-dumping duty amounting to ₹ 687.49 Million payable on the import of CPTs and the penalty of equivalent amount along with interest thereon under Section 114A of the Customs Act, 1962. Further, the Adjudication Authority imposed a penalty of ₹ 0.50 Million on the Company on High Sea Sales under Section 112(a) of the Customs Act, 1962. Subsequently, the Company has filed an appeal against the Order passed by Adjudication Authority before The Customs, Excise and Service Tax Appellate Tribunal (CESTAT) and the same is pending before the said CESTAT. The Company has been advised by its counsels that the Order passed by Adjudication Authority is untenable in the court of laws. Hence, no provision has been considered necessary in the financial statements.

Note 43

Videocon Telecommunications Limited (VTL), a subsidiary, had received a notice dated November 17, 2014 from the Department of Telecommunications (DoT) (Access Service Division), Ministry of Communications & IT directing it to show cause as to why the reserve price of ₹ 4,766.90 Million and interest on this amount are not to be recovered from VTL as per the direction of Hon'ble Supreme Court of India in I.A. No. 11 of 2012 in Writ Petition (Civil) No. 423 of 2010.

VTL in its response to the said show cause notice has submitted that VTL is not liable to make payment of the reserve price of ₹ 4,766.90 Million and interest on this amount as per the direction of the Hon'ble Supreme Court and that the said show cause notice is not sustainable on facts and in law for the reasons given therein. The said demand along with interest has been challenged before the Hon'ble TDSAT and the demand has been stayed.

Further, VTL has received revised notice dated February 14, 2017 from DoT for ₹ 7,234.64 Million (including interest) with revised demand for reserve

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

price of ₹ 4,567.50 Million.

Note 44

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

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

The Hon'ble TDSAT vide its order and judgment dated January 13, 2012 has set aside the demands of DoT in respect of 10 circles and directed DoT to give opportunity to the licensee before raising fresh demands for liquidated damages. The Hon'ble TDSAT, vide its said judgment has also directed DoT to refund the amount of ₹ 242.30 Million paid by VTL as liquidated damages in respect of 10 circles along with 12% interest and VTL has been directed to deposit bank guarantees for the amount of liquidated damages originally demanded.

B) VTL has also challenged before the Hon'ble TDSAT the claim of liquidated damages in respect of 7 circles (i.e. Bihar, Gujarat, Kerala, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh-West) seeking interim stay and setting aside the demand, inter alia on the ground that (1) there has been a delay in the allocation of start-up spectrum; (2) delay in SACFA clearance should have been calculated on the actual maximum delay and not on the average delay; and (3) delay in meeting 10% roll-out obligations was on account of introduction by the DoT of new and onerous conditions in the license agreement (e.g. LI Testing, security clearance of equipment, etc.).

The Hon'ble TDSAT passed an order on April 30, 2014 whereby the demands of DoT were quashed in respect of 7 circles in line with the TDSAT order dated January 13, 2012 and directed DoT to give opportunity to the licensee before raising fresh demands for liquidated damages. The Hon'ble TDSAT, vide its said judgment has also directed DoT to refund the amount of ₹ 82.00 Million paid by VTL as liquidated damages in respect of 7 circles along with 12% interest and VTL has been directed to deposit bank guarantees for the amount of liquidated damages originally demanded.

The order of the Hon'ble TDSAT dated January 13, 2012 has been challenged by the DoT before the Hon'ble Supreme Court and by an order dated November 23, 2012, the Hon'ble Supreme Court has admitted the appeal and directed that there will be an interim order staying the interest payable only on the principal amount, in terms of the impugned judgment of the TDSAT.

After the order of Hon'ble TDSAT dated January 13, 2012, VTL has received revised liquidated damage demand notices of ₹ 657.50 Million vide letter dated November 4, 2013, June 23, 2016 and August 5, 2016 under the 21 UAS License. VTL has contested the demand raised by DoT and submitted its representation and personal hearing over this issue is awaited.

C) VTL has also received the demand notices dated February 21, 2014, issued by DoT imposing liquidated damages pertaining to the alleged delay/default in completion of 2nd phase roll out obligation of North East service area amounting to ₹ 70.00 Million. VTL has challenged the said demand in TDSAT vide petition no. 170 of 2014 and an exparte ad interim protection against encashment of bank guarantee was conferred to VTL subject to keeping the bank guarantee to the tune of ₹ 32.60 Million alive during the pendency of the petition and furnishing of an undertaking to pay the unsecured amount of the entire demand raised in the event the petition fails.

D) VTL has also received liquidated damages demand notices of ₹ 420.00 Million from DoT in respect of non-fulfilment of 2nd Phase and 3rd Phase rollout obligation under the UAS license for Bihar, Uttar Pradesh - East and Uttar Pradesh - West service areas. VTL has contested the demand raised by DoT and submitted its representation and personal hearing over this issue is awaited.

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

Note 45

A) Infrastructure provider companies, Ascend Telecom Infrastructure Private Limited, Bharti Infratel Limited, GTL Infrastructure Limited and Chennai Network Infrastructure Limited have filed petition in Delhi High Court, while Bharat Sanchar Nigam Limited, Idea Cellular Limited, Tata Teleservices Limited and Telenor (India) Communications Private Limited filed petition in TDSAT against VTL for claiming amount towards infrastructure provider fees, power and fuel dues, exit charges and interest aggregating to ₹ 4,028.70 Million (net of amounts provided for). According to VTL the same are not payable and VTL is disputing the same because under the contract VTL has made all the payment and nothing stands unpaid. (Ascend Telecom Infrastructure Private Limited cases has been disposed off in Delhi High Court). Arbitration are also going on in the above case.

VTL has been advised by the legal counsel that the claims are not maintainable and VTL has reasonably good chances of succeeding in the matter. VTL has already provided for the amount payable as per the contract and no further provision is considered necessary.

B) In some cases Arbitration Tribunal passed award to ATC Telecom Tower Corporation Private Limited, Viom Networks Limited, Tower Vision India Private Limited, Gemalto Digital Security Private Limited and IBM India Private Limited regarding infrastructure provider fee, power and fule dues, exit charges, SIM supply, information technology and allied services and interest aggregating to ₹ 6,753.91 Million (net of amounts provided for).

C) The Department of Telecommunications (DoT) had raised demand notice to VTL for license fee, spectrum usage charges and electronic magnetic field (EMF) penalty from the financial year 2007-08 to financial year 2015-16 aggregating to ₹ 1,0301.00 Million and the same are under reconciliation. No provision has been made for the same in the consolidated financial statements.

All the telecom operators has challenged the judgement of TDSAT on AGR matter before Hon'ble Supreme Court of India. That vide its judgement dated October 24, 2019, Hon'ble Supreme Court dismissed the telecom operators appeal in favour of DoT. Now DoT shall recalculate the demands and shall soon raised demands for payment of AGR.

Note 46

VTL was awarded licenses by the Department of Telecommunications ('DoT') to provide Unified Access Services ('UAS') in 21 telecom circles in India effective from January 25, 2008 which were valid for a period of 20 years. VTL was also allocated spectrum in 20 circles and had launched its commercial operations in 17 circles. The Hon'ble Supreme Court of India, vide its order and judgment dated February 2, 2012 ('Judgment') in two separate writ petitions, quashed the UAS licenses granted on or after January 10, 2008 and the subsequent allocation of spectrum to licensees which included the 21 UAS licenses issued and allocation of spectrum to VTL. The same judgment was based on inappropriateness in the conduct of Government of India ('GoI') and certain other parties (other than VTL) and therefore VTL has been penalized for the reasons attributable to the GoI and not VTL.

The Hon'ble Supreme Court of India vide its Judgment had also directed the Central Government to grant fresh UAS licenses and spectrum allocation by auction. The DoT, had issued a Notice inviting applications for auction of spectrum. VTL participated in the said auction and was awarded the Unified Licenses (Access Services) for 6 circles namely, Bihar, Gujarat, Haryana, Madhya Pradesh, Uttar Pradesh (East) and Uttar Pradesh (West) with effect from 16th February, 2013 which are valid for a period of 20 years. VTL was also allotted spectrum in these 6 circles, which were transferred consequent to the VTL's agreement dated March 16, 2016 with Bharti Airtel Limited for trading the right to use 2 x 5 MHz spectrum.

VTL has also filed petition against DoT and Telecom Regulatory Authority of India ('TRAI') before Hon'ble TDSAT seeking award of restitution of net expenditure from issuance of Letter of Intent ('LOI') to January 18, 2013 and damages on various counts owing to the financial and business loss on cancellation of UASL held by VTL vide Hon'ble Supreme Court judgement dated February 2, 2012. Notice has been issued by the TDSAT to GoI and TRAI.

Note 47

a) Pursuant to an application filed before the Hon'ble National Company Law Tribunal, Mumbai (Adjudicating Authority) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) against Videocon Industries Limited and its 2 subsidiaries namely Videocon Telecommunications Limited (VTL) and Electroworld Digital Solutions Limited (EDSL) (Corporate Debtors), the Adjudicating Authority had admitted the application for the initiation of the Corporate Insolvency Resolution Process (CIRP) of the Corporate Debtors vide an order dated June 06, 2018, June 11, 2018 and August 30, 2018, respectively and appointed Mr. Anuj Jain as the insolvency Resolution Professional of the Company and VTL and appointed Mr. Avil Menezes as the insolvency Resolution Professional of EDSL.

   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 Debtors along with other group companies (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 Debtors with that of 10 other Videocon group companies namely Evans Fraser & Co. (India) Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Techno Kart India Limited, Century Appliances Limited, Techno Electronics Limited, Value Industries Limited, PE Electronics Limited, CE India Limited and Sky Appliances Limited; and (ii) appointing Mr. Mahendra 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. Mahendra Khandelwal. Mr. Abhijit Guhathakurta's appointment as the Resolution Professional of the Videocon Group Entities (Resolution Professional or 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 Debtors stand vested in the Resolution Professional.

b) The subsidiary, VOVL Limited (VOVL) has been admitted under the CIRP under the Code vide order of NCLT dated November 8, 2019. The powers of its Board of Directors stand suspended as per Section 17 of the Code and such powers are being exercised by the Interim Resolution Professional (IRP) appointed by the NCLT by the said order under the provisions of the Code. As per Section 20 of the Code, the management and operations of the VOVL are being managed by IRP Mr. Rakesh Rameshwar.

Note 48

The Company and its subsidiaries have made investments, given advances and have trade receivables aggregating to ₹ 124,215.69 Million in group/affiliate companies, namely Value Industries Limited, Trend Electronics Limited, KAIL Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Sky Appliances Limited, Techno Electronics Limited, Century Appliances Limited, PE Electronics Limited, Techno Kart India Limited, Evans Fraser and Co. (India) Limited, CE India Limited, Planet M Retail Limited, Dome-Bell Electronics (India) Private Limited and Nippon Investments & Finance Company Private Limited which have been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 by their lenders and subsquently been admitted into Corporate Insolvency Resolution Process (CIRP). The actual amount of loss on these investments, advances and trade receivables are not ascertainable till the completion of resolution process of these group/affiliate entities.

Note 49

The manufacturing activity of Glass Shell division located at Bharuch, which manufactured panels and funnels used in colour picture tube for colour television, has been suspended from July, 2017 due to poor demand of these products due to changes in technology for colour televisions. The management is of the view that the said factory and facilities can be, with some modifications, used for production of solar panel glass, solar lense, glass fibre and glass blocks which have good demand in the market. In view of the above, no provision for impairment has been considered necessary for the assets of the glass shell division at this stage.

Note 50

The confirmations and reconciliation of balances of certain secured and unsecured loans, balances with banks, trade receivables, trade and other payables and loans and advances are pending. The management is in the process of obtaining confirmations and reconciliation of balances and ascertaining the impact of which is not ascertainable at present.

Note 51

The Company had given 40,000 equity shares of Asian Electronics Limited, 7,000 equity shares of Lumax Industries Limited and 300,000 equity shares of Man Industries (India) Limited, shown in Non-Current Investments amounting to ₹ 32.69 Million as a security for the loans and advances taken from Nippon Investments & Finance Company Private Limited.

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

These shares are not held by the Company in its own name. The Company is in process of obtaining the confirmation of the outstanding balance of loans and advances of ₹ 15.00 Million from and the holding of shares by Nippon Investments & Finance Company Private Limited.

Note 52

Pursuant to commencement of CIRP of the the Company and its 3 subsidiary companies 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 operational and financial creditors.

Note 53

During the year, the Company has entered into agreement in April, 2018 with Mr. Said Salehal Hinai, for sale of Middle East Appliances LLC, a subsidiary company for RO 50,000 (equivalent to ₹ 8.60 Million). Out of which RO 25,000 (equivalent to ₹ 4.30 Million) had been received and balance RO 25,000 (equivalent to ₹ 4.30 Million) are not yet received. Further, as per the Foreign Exchange Management Act, 1999, the said balance of RO 25,000 (equivalent to ₹ 4.30 Million) should have been received within 90 days. The Company is making efforts for recovering the same.

Note 54

Consequent to VTL's agreement dated March 16, 2016 with Bharti Airtel Limited for trading the right to use 2x5 MHz spectrum allocated to it in the 6 circles, GSM Network Assets including Assets held for Sale of ₹ 8,077.70 Million (As at March 31, 2018 ₹ 9,163.20 Million) has been shown under "Current Assets" as 'Disposal group-assets held for Sale'. VTL is in the process of ascertaining the impairment loss, if any, on its fixed assets including capital work-in-progress. The requisite accounting effect, if any, will be given upon such ascertainment/determination.

Note 55

VTL had given advances of ₹ 12,860.00 Million to Quadrant Televentures Limited (QTL) for the proposed acquisition of indefeasible Rights of Use (IRU) the UAS License of QTL in Punjab circle, subject to regulatory approvals. The same has been converted into Unsecured Zero Coupon Compulsory Convertible Debentures of face value ₹ 1000/- each (CCD) (Convertible into 2% Non-Cumulative, Non-Convertible, Redeemable Preference Shares). VTL is in process of ascertaining the fair value of Unsecured Zero Coupon Compulsory Convertible Debentures and its accounting impact, if any, will be given upon such fair valuation.

Note 56

VTL has not recognised the guarantee income as per Ind AS 109 for corporate guarantee given to ultimate holding company. The guarantee income is determined with reference to the guarantee commission which a third party would have charged in an arm's length arrangement.

Note 57

During the year, VTL has incurred a net loss of ₹ 5,915.29 Million resulting into accumulated losses of ₹ 72,937.87 Million as at March 31, 2019. VTL has also stopped its International Long Distance (ILD) Business. Though VTL has huge accumulated losses, its net worth as on March 31, 2019 is positive and the management of VTL is confident of continuing its commercial operations in the National Long Distance (NLD) Business. Further, financial creditors petition to initiate the CIRP was admitted by the NCLT on June 11, 2018 the financial statements of VTL have been prepared on a going concern basis.

Note 58

The subsidiary Videocon Mauritius Energy Limited (VMEL) holds investments of ₹ 17,719.54 Million classified as unquoted investments in equity instruments - financial assets, which have been recognised at cost, and have not been carried at fair value. The financial statement for the period have not been audited. However, the auditors of VMEL for the previous year have given disclaimer of opinion as it has not been possible to estimate the financial effects of not carrying these investments at fair falue.

Note 59

The Company and its 3 subsidiaries namely VTL, EDSL and VOVL have been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 as amended, and there are persistent severe strains on the working capital and there is considerable decline in level of operations of the Company and net worth of the Company as on the reporting date is negative and it continue to incur losses. The Company has received notices for invocation of corporate guarantees given by it and also the personal guarantees of promoter directors have been invoked. Further, VOVL and its subsidiaries and the joint venture are in exploration/appraisal stage and have spent significant amounts on acquisitions, explorations and evaluation costs and have liabilities on this account. Since Corporate Insolvency Resolution Process (CIRP) is currently in progress, as per the Code, it is required that the Company be managed as going concern during CIRP. Accordingly, the consolidated financial statements are continued to be prepared on going concern basis. The Company continues the process for ascertaining the realisable value for its assets (including inventories and trade receivables) and necessary adjustments to the carrying value will be effected in due course, the impact of which is not ascertainable at this stage.

Note 60

Exceptional items represents:

a) Payment made towards settlement of obligation under patronage letter / guarantee given to Intesa Sanpaolo S.p.A., an Italian bank for financial assistance given to the then one level step down subsidiary of ₹ Nil (Previous year ₹ 1,434.31 Million);

b) Infructuous project expenses relating to project aborted by the Company ₹ Nil (Previous year ₹ 4,765.83 Million and subsidiary company ₹ Nil (Previous year ₹ 81.72 Million); and

c) Loans and advances written off ₹ 14,133.45 Million (Previous year ₹ Nil), represents debit balances of about 40 vendors on whom claims were made towards rejection of supplies, shortages and inferior quality of materials supplied. These suppliers have refused to accept these claims of the Company and have been written off during the year.

Note 61

During the year, verification and valuation of inventories related to consumer electronics business of the Company was carried out by an independent firm. Based on the shortages, damages and non-moving items of inventory due to rapid changes in technology for the products observed and estimated by them, they have valued the inventory at ₹ 2,786.50 Million against the book value of inventory ₹ 12,048.20 Million as on May 31, 2018. Accordingly, the values arrived by the valuer have been considered and the difference has been charged to consumption of materials and increase/decrease in inventory.

Note 62

The Company has received Grant from Ozone Cell, Ministry of Environment & Forests, Government of India for financing the machinery under the Ozone Project. As per the accounting policy followed by the Company, the Grant received for Ozone Project has been treated as "deferred income" to be recognised in the Statement of Profit and Loss over the useful life of the assets under the Ozone Project. Accordingly, an amount of ₹ 4.09 Million (Previous year ₹ 4.07 Million) has been allocated to income and credited to other non-operating income, in proportion to the depreciation charged on those assets for the year. The balance deferred income has been carried to Balance Sheet as Grant for Ozone Project.

Note 63

Joint Venture Disclosure:

A. The Financial Statements reflect the share of the Group in the assets and the liabilities as well as the income and the expenditure of Joint Venture Operations on a line-by-line basis. The Group incorporates its share in the operations of the Joint Venture based on statements of account received from the Operator. The Group has, in terms of Significant Accounting Policy No. 1.2(T), recognised abandonment costs based on the technical assessment of current costs as cost of producing properties and has provided Depletion thereon under 'Unit of Production' method as part of Producing Properties in line with the Guidance Note on Accounting of Oil and Gas Producing Activities issued by the Institute of Chartered Accountants of India.

B. Unincorporated Joint Ventures:

a) The Company has participating interest of 25% in Ravva Oil and Gas Field Joint Venture (JV) through a Production Sharing Contract (PSC). Other members of the JV are Oil and Natural Gas Corporation Limited, Vedanta Limited and Ravva Oil (Singapore) Pte. Limited. The parties have pursuant to the PSC, entered into a Joint Operating Agreement. Vedanta Limited is the Operator. The Government of India has granted its approval for a ten-year extension of PSC for Ravva Block with effect from October 28, 2019, subject to certain conditions. The extension has been granted with a 10% increase in GOI share of profit oil. The Participating Interest of the Company in Ravva Block for the extended period of PSC.

b) The JPDA Block 06-103 was set up under a PSC dated November 15, 2006 entered into between the Autoridade Nacional do Petroleo (ANP) (previously the Timor Sea Designated Authority), and the Contractor Parties consisting of Videocon JPDA 06-103 Limited (Videocon JPDA) one of the wholly owned subsidiaries, Oilex (JPDA 06-103) Limited – as Operator, Bharat PetroResources JPDA Limited and GSPC (JPDA) Limited, The Contractor Parties have defined their rights, interest and obligations for proper regulation of petroleum operations, pursuant to PSC through a Joint Operating Agreement (JOA), which was entered into on the effective date November 15, 2006. On July 15, 2015 the ANP advised that it has terminated the PSC effective July 15, 2015.

This block is located in the Timor Sea between Australia and Timor-Leste. Videocon JPDA had originally a participating interest of 25% in the PSC. Oilex has farmed-out 15% of its 25% participating interest to Japan Energy Corporation. Videocon JPDA has farmed-out 5% of its participating interest to Pan Pacific Petroleum of Australia reducing the same to 20%.

After two exploration wells at Lore and Lolotoe were drilled unsuccessfully, the work on the third well at Bazartate was suspended because of a dispute on the Maritime boundary between Governments of Timor Leste and Australia. The Joint Venture (JV) parties have put in a formal request to Government for termination of the PSC without penalty and in good standing. The regulator, Autoridade Nacional Do Petroleo, Timor-Leste (ANP) vide its letter dated 13th May, 2015 informed the Operator that upon termination, the JV is liable to ANP for estimated costs of exploration not carried out and the damages for breach of its local content obligation. The JV while making a counter offer, contended that the lack of assurance from ANP on security of PSC tenure had constrained it from fulfilling the Work Programme commitments and that it had actually performed excess exploratory work. Currently negotiations between ANP and JV are underway to determine the quantum of amount payable for an amicable settlement of the PSC termination. The ultimate outcome of the matter cannot be presently determined and hence no provision for any liability that may result has been made. Should it ultimately become payable, the subsidiary's share as per participating interest would be upto ₹ 187.87 Million. Considering the developments, the carrying value of this exploration and evaluation assets has been impaired in financial year 2016-17.

c) The original Nunukan PSC was signed on December 12, 2004 covering an area of 4,917.47 sq. km. The Term of the PSC is 30 years from the Effective Date. As per the terms of the PSC at the end of the initial 6 (six) years period or 4 years extension thereto, if no Petroleum in commercial quantities is discovered in the Contract area, then without prejudice the Contract shall automatically terminate in its entirety. The JV has fulfilled all firm commitments and the current status of Nunukan work area has changed from Exploration to Development.

On September 4, 2009 Videocon Indonesia Nunukan Inc. (VIN), one of the wholly owned subsidiaries, had executed a Farmout Agreement with Anadarko Indonesia Nunukan Company - a wholly owned subsidiary of Anadarko Petroleum Corporation, USA along with the related Joint Operating Agreement. Pursuant to this agreement, VIN has acquired a 12.50% participating interest in the PSC, covering the area referred to as Nunukan Block, located offshore Indonesia, with effect from August 1, 2009 (the Effective Date). Other members of the consortium are Anadarko Indonesia Nunukan Company, PT Medco E&P Nunukan and BPRL Ventures Indonesia, BV (a step down wholly owned subsidiary of Bharat Petroleum Corporation Limited). Following Anadarko's sale of all the issued share capital in Nunukan Block PSC to PT Pertamina Hulu Energi (PHENC), effective February 15, 2013, PHENC became the new Operator. Consequent to JV Partner PT Medco exiting from the PSC, VIN and Pertamina (Operator) the consenting partners picked up it's 40% participating interest share on prorate basis, with BPRL abstaining. SKK Migas conveyed its formal approval on September 18, 2015 for the same, resulting in increase of VIN's participating interest from 12.50% to 23.00% without cost.

Badik oil and gas discovery in 2010 triggered further activity with 3D seismic data acquisition which identified 2 well locations for appraisal of Badik discovery. Following successful appraisal of Badik the adjacent prospect West Badik was taken up for drilling which resulted in oil and gas discovery in 2014. The oil and gas accumulations are found in sandstone reservoirs of Late-Miocene-Pliocene age which is part of Tarakan Formation.

The Badik Field has three wells and the West Badik Field has one well.

The JV had submitted a Plan of Development (POD-1) of Badik-West Badik Discoveries in November 2015 which was approved by

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

Government of Indonesia in March 2016. In view of low LNG price scenario, the plan to build mini LNG plant as stated in POD-1 was no longer found to be feasible. As a result Pertamina, the holding company of the Operator PHENC which is spearheading the Gas marketing efforts, has widened its scope and is looking for other buyers. The potential candidates who expressed interest included a Government backed Fertilizer plant and the other a privately owned petrochemical plant who have indicated a higher gas requirement with a minimum supply of 85-100 MMSCFD for a period of 20 years.

To gain confidence of the potential buyers (especially the private entities) on the reserve figures of Badik-West Badik Field, Gaffney, Cline & Associates was contracted to conduct a Geological, Geophysical and Reservoir Engineering study and Resources Assessment of the Badik and West Badik discoveries.

For enhancing the currently estimated Gas reserve base, the Parang Well adjacent to Badik was taken up for exploration drilling towards the end of year 2016, resulting in Oil and Gas Discoveries that fulfil the objective of augmenting the existing reserve Base in Nunukan Block. The JV Parties hope to fulfil the obligation of bringing on commercial production within 5 years of POD-1 approval, by phasing in the production of oil and gas in Nunukan.

Badik-West Badik pre-development activities like Marine Survey, EIA, have been completed while FEED is in progress. The Parang Oil & Gas discovery has been ranked as one of the top ten discoveries of the world for the year 2017. The Parang discovery has the potential to successfully fulfil its objective of augmenting the existing reserve base in Nunukan PSC block. JV is looking to monetize the Parang discovery at the earliest to enable integration with the development of Badik-West Badik fields (POD 1). Two Parang appraisal well locations and one Keris exploratory well location were firmed up for drilling starting from Q3-2018, but due to protracted delays in Rig contract/procurement, the drilling campaign is now likely to kickstart as late as November 2019 following finalisation of Rig contract. Concurrently, PSTM & PSDM processing of newly acquired 3D seismic OBN data is being carried out by PT. Elnusa. Currently the fast track (preliminary) processed data is being interpreted by operator to review Parang appraisal and Keris locations. With regard to Gas marketing, it is understood that PHENC has signed MOU with potential Gas buyer PT. Karya Mineral Jaya (PT KMJ). PT KMJ plans to set up a Gas based Methanol plant on Bunyu Island and is exploring the natural gas availability. The purpose of this MOU is to state the intent of the Parties, whereby buyer intends to obtain Gas supply for fulfilling Gas demand by observing the effort which could be done by Gas supplier (on its sole consideration) in accordance with the availability of Gas produced from Nunukan Working Area.

C. Incorporated Jointly Controlled Entities:

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

I) Campos Concession: VEBL has 12.50% participating interest in BM-C-30 Campos Concession, where Anadarko Corporation U.S.A. is the Operator. Located 130 km Offshore in prolific Campos Basin off the Rio de Janeiro and Espirito Santo States of Brasil. The block covers an area of 716 Sq. Km in the water depths of 1,400 to 2,500 meters. BM-C-30 Campos Concession Agreement and Joint Operating Agreement is in effect from November 24, 2004. Both the two phases of Exploration with First Phase of 4 years and Second Phase of 2 years duration have been successfully completed with the drilling of Wahoo#5 and fulfilling all of the proposed Firm activities of the Exploration Phases. As a part of Anadarko's worldwide corporate strategy, conveyed its decision to resign as Operator and exit BMC30, on 15th March 2018. The remaining consenting partners BP, Total and IBV picked up Anadarko's 30% participating interest share on prorate basis without cost. IBV's Participating Interest in the Block has been increased from 25% to 35.714% without cost. The JV Parties have approved BP's nomination to succeed Anadarko as Operator of the BM-C-30 Concession. Procedures for official transfer underway.

Discoveries have been announced in the Pre-Salt Upper-Sag Carbonates, of Aptian Age in Wahoo#1, Wahoo#2, Wahoo#2DA, Wahoo#4 and Wahoo#5 Wells. Drill stem Test (DST) in Wahoo#1 produced @ 6,000 BOPD and @ 15,000 BOPD during the final flow period. Special seismic studies taken up by the JV on test 2D lines has presented a significant upside in Wahoo#SW structure with a high case in-place volume of about 650 MMBBL. Presently, the new operator will have to take up activities which are geared to refine the studies on the data collected and other aspects like gas solution and combined development of BMC30 and BMC32 are underway leading to taking up of Long Term Test (LTT) to confirm reservoir extents and quality dovetailing the eventual declaration of commerciality.

The JV has retained the entire Block, after second phase of exploration for a five year Evaluation Phase approved by ANP. ANP agreed on April 4, 2016 to the request of JV Parties for extension of the Discovery Assessment Plan (PAD) to June 30, 2022. Significant upside in Wahoo#SW structure is envisaged based on 2D Full Waveform Inversion studies.

With the drilling of Wahoo#5, all of the proposed Firm activities in the evaluation plan have been completed. JV sought one year postponement of decision point, which at this point is LTT as per approved PAD plan. ANP felt that all possible appraisal activities have been completed in BMC30 and suggested declaration of closure of PAD operations and then seek a suspension up to 5 years (as per clause 7.2 of Concession Agreement) to search for means and technologies to optimally evacuate the discovered and appraised hydrocarbons. The JV went ahead as per ANP advice and letters accordingly were submitted at Rio by BP/APC, alongwith some part relinquishment of non-prospective areas, as advised by ANP.

In the adjacent block BM-C-32 Itaipu Block, after Anadarko's exit, consortium partners are BP and Total. It is envisaged to develop both Wahoo & Itaipu fields after ANP's approval which will facilitate joint development between the two fields, including cost savings through various development synergies.

II) Sergipe Concession: Sergipe Concession Contract BM-SEAL-11 was signed in the Sixth Round of Bidding, covering an area of 2,831 Sq. Km. in the North-Eastern offshore of Brazilian Basin and comprising of 4 Blocks SEAL-M-349, SEAL-M-426, SEAL-M-497 and SEAL-M-569. Petroleo Brasiliero S.A. (Petrobras) is the Operator with 60% and VEBL has a 20% participating interest.

The exploration phases in the Concession have been fulfilled for all the four blocks. ANP has approved five appraisal plans in this concession with various timelines, which have witnessed significant hydrocarbon discoveries in the Barra, Farfan, Cumbe, Papangu and Poco Verde structures, which are all in different stages of appraisal/ evaluation phases along with neighbouring Joint Venturers in a unitization proposal and the same are heading towards commercialization.

i) Barra PAD: In Block SEAL-M-426 in Sergipe Concession, the First Exploration Phase was completed with successful drilling of the commitment well Barra (1-SES-158) and the subsequently, Barra#2 well was also successfully drilled as per the Discovery Assessment Plan approved by ANP. Pursuant to PAD, another exploration Barra#3 appraisal well, was drilled, successfully towards N-NE of the Barra prospect and Drill Stem Test (DST) established good flow potential for these reservoirs.

ii) Farfan PAD: In the second phase Minimum Work Programme (MWP), well Farfan, in Block SEAL-M-426, was successfully drilled to a final TD of 5,904 encountered 46 meters of gross oil column in the Campanian section. An Evaluation Plan (PAD) to appraise Farfan discovery area was approved by ANP. Farfan#1 appraisal well was successfully drilled and tested the same quality of oil encountered in the discovered well Farfan. Successful conducted DST in Farfan#1. Farfan#2 Appraisal well an independent prospect drilled was found to be unfavourably located. Farfan#3 and Farfan#ADR appraisal wells drilled and tested. Injectivity test conducted in Farfan#ADR, which is to used eventually as an injector in the D&P program. Farfan#3 encountered 5 pay sands with HC. DST successfully completed. Farfan#ADR encountered the main Farfan pay without water contact and yielded a very good injectivity test.

iii) Cumbe PAD: In Block SEAL-M-349 in Sergipe Concession, Cumbe exploration well was drilled successfully to a final TD of 6,056 meters, encountered Gas plus Condensate in Maastrichtian section and Oil in 3 sands in Campanian Section. Deeper Santonian/ Turonian section shows good gas but couldn't be tested due to well complications. Evaluation Plan to appraise Cumbe discovery approved by ANP, includes testing of additional Campanian and Maastrichtian prospects.

iv) Papangu and Poco Verde PADs: In Block SEAL-M-497, one MEP well Capela was drilled unsuccessfull without any commercial hydrocarbon. Area around this well now stands relinquished. As in Block SEAL-M-569, the MWP well Papangu was drilled targeting Campanian sands and Albian Carbonates. Campanian sands had numerous shows.

Detailed analysis of the well results and the way forward in the contiguous blocks 497 and 569 were discussed and two PAD proposals were approved by ANP. The PAD for appraisal of Papangu had only seismic reprocessing as firm activity and the other for appraisal of discovery of oil in BM-SEAL-4 in Poco Verde well had 2 wells as firm activity. Detailed studies of Papangu PAD data resulted in recommendation of relinquishment. In the other PAD for Poco Verde, both the committed wells have been drilled in the adjacent concession BM-SEAL-4. The firm wells in BM-SEAL-4 Concession have encountered significant units of hydrocarbons in Campanian sands. Integration of the new well data with the Wide Band seismic data was completed to decide on the future course of action in the PAD. Drilling results in areas adjacent to SEAL-11 in Poco Verde and Moita Bonita PADs pointed to very minimal chances of economically viable accumulations in SEAL-11 part of Poco Verde PAD. In sync with the need for consolidation of Poco Verde PAD plan findings and way forward plan, operator proposed to ANP for relinquishment of the whole of Poco Verde PAD area in SEAL-11 Concession. ANP has recently approved the relinquishment proposal and both the SW blocks in SEAL-11 now stand relinquished.

Presently operations leading to Extended Well Test (EWT) in Farfan field are underway. Reservoir pressure during the EWT phase will be monitored in Farfan#ADR well. This test will help the consortium besides generating first oil, will help in fine tuning the total in-place volume in field and assure continuity across the reservoir leading to optimal planning of development well.

Well completions in Farfan#1 and Farfan#ADR have been completed, CATs systems installed and the FPSO is anchored in dock, at Angora, for manual cleaning of Coral Sun (sea urchins infesting the hull of FPSO). The cleaning operations took about 3 months and the first oil from Farfan EWT is now expected by 1st week of December, 2019. Further activity in the concession will dovetail the results of EWT, leading to FID and DOC.

III) Potiguar Concession: Potiguar Concession Contract POT-M-16 was signed on January 12, 2006 in the Seventh Round of Bidding, comprising of Blocks POT-M-663, POT-M-760 and covers an area of 1,535 sq. km. Petrobras is the Operator with 30% and VEBL has a 10% participating interest in the Potiguar Concession.

Well Ararauna, targeted to 5,300 Meters TD, was drilled which discovered thin oil bearing sands in Albian/Cenomanian age and Discovery Assessment Plan (PAD) was approved by ANP to further appraise the Ararauna discovery in Block POT-M-663 of the concession, with the drilling of a firm well after interpretation of the multiclient 3D 406 Sq. Km. of Seismic acquisition, by PGS, in POT16 proposed for November 2017. All the other activities, including G&G studies, are going on as scheduled in the latest PAD approved by ANP.

In adjacent Concession BM-POT-17 drilling of well 1-BRSA-1205-RNS (Pitu well) has discovered oil with about 188 meters of gross HC column. The HC has been further established in formation test as well. This significant discovery in Alagamar Formation has enhanced the hopes of finding sizeable HC accumulation in POT-16 as well, at leads/prospects like Umbu, Baiao, Xaxado, Coite, Camutim and others being mapped. The leads/prospects are being studied to finalize the, single, committed well location as per the approved PAD plan for Ararauna discovery appraisal. Interpretation of the newly acquired seismic 3D data is expected to help finalize the firm well location to be drilled in the 4th quarter of 2019.

After ANP's approval, new Multiclient 3D seismic acquisition surveys, totalling 2,158 sq. km, planned to cover blocks 663 and 760 in POT-16 concessionhas been completed in the 1st Quarter of 2018. The drilling of firm appraisal well, in block 663, will be taken up based on interpretation of new 3D, by the decision point in the beginning of 4th quarter of 2019.

Presently, interpretation of the final processing of new multiclient 3D seismic data acquired by M/s PGS is underway. The operator is also performing FWI processing of the new 3D data to generate better imaging for refined mapping of identified leads in 663 blocks to be zeroed in as the prospect to drill the firm well. The JV has plans to request ANP for a postponement of the firm well by one year, so as to have sufficient time to interpret the new 3D seismic data and the updated FWI processed data. The firm well is now expected in 2020 or 2021.

IV) Espirito Santos (ES24) Concession: The Concession comprises of 3 Blocks ES-M-588, ES-M-663 and ES-M-661. The Blocks are located along the Brazilian Continental Margin and extending from the Central-Southern part of Espirito Santos state to the Southern part of Bahia State. Petrobras is the Operator with 70% and VEBL has a 15% participating interest in the Espirito Santos JV.

ES-24A Concession was carved out of ES-24 Concession, with Block ES-M-661, whereby Anadarko withdrew from the Concession and IBV continued with its original stake of 30% participating interest with Operator, Petrobras picking up Anadarko's participating interest of 30% to raise its participating interest to 70% in year 2010.

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

As per the Agreement/s, after fulfilment of Minimum Work Programme of the Exploration Phases by JV Parties and in view of very thin oil zones encountered in the exploratory wells drilled in these Blocks, the said Blocks now stand relinquished.

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

c) The financial interest of the Group in the jointly controlled incorporated entities namely IBV Brasil Petroleo Limitada and Videocon Infinity Infrastructures Private Limited based on financial statement received from these Joint Venture entities are as under:

(₹ in Million)

Group's share in	March 31, 2019	March 31, 2018
Assets	22,610.33	24,389.90
Liabilities	19,645.90	18,211.94
Income	-	-
Expenses	2,974.01	1,124.52

D. The estimated amount of commitment of the Group towards contribution in various Joint Ventures for next year based on minimum work program is ₹ 9,133.58 Million (As at March 31, 2018 ₹ 6,701.04 Million).

Note 64

Related Party Disclosures:

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

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

i) Associates:

- Radium Appliances Private Limited - Associate - 26% Holding

- VISPL LLP - Associate of Videocon Telecommunications Limited - 50% Holding

ii) Joint ventures:

- IBV Brasil Petroleo Limitada - 50% Joint Venture of Videocon Energy Brazil Limited

- Videocon Infinity Infrastructure Private Limited - 50% Joint Venture

iii) Key Management Personnel:

- Mr. Venugopal N. Dhoot - Managing Director & Chief Executive Officer

- Mr. A. K. Gangwal - Director (Videocon Hydrocarbon Holdings Limited) (upto February 15, 2019)

- Mr. Mandar C. Joshi - Company Secretary (upto August 13, 2018)

- Mr. Kaustubh Sahasrabudhe - Company Secretary (w.e.f. August 13, 2018 to March 15, 2019)

- Mr. Pradeep Paliwal - Chief Executive Officer (Videocon Telecommunications Limited)

- Mr. Narendra Joshi - Chief Financial Officer (Videocon Telecommunications Limited)

- Mr. C. A. Nagarkar - Company Secretary (Videocon Telecommunications Limited)

b) Transactions/outstanding balances with Related Parties:

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

(₹ in Million)

Particulars	Associates/Joint ventures		Key Management Personnel	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Nature of Transactions:				
Long Term Loans and advances given	33,880.73	28,262.75		
Remuneration			20.56	49.98
Outstanding at the end of the year:				
Short Term Loans and advances given	0.86	0.86		
Long Term Loans and advances given	166,405.62	132,524.89		
Investments	6,427.40	4,089.33		

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

Long term advances/loans given to IBV Brasil Petroleo Ltda ₹ 33,880.73 Million (Previous year ₹ 28,262.75 Million).

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

Note 65

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

(₹ in Million)

Name of the Company	Effect on Consolidated Profit/(Loss)	Net Assets As at March 31, 2019
Disposal:		
Middle East Appliances LLC	739.01	(687.70)
Videocon International Cooperatie U.A. Videocon Hydrocarbon Ventures B.V. Videocon Brazil Ventures B.V.	3.91	(3.91)

Note 66

Approval of financial statement

As the powers of the board of directors have been suspended on account of the ongoing corporate insolvency resolution process and as per the provisions of the Insolvency and Bankruptcy Code, 2016, the financial statements have not been adopted by the board of directors. However, the same have been signed by the designated officials of the Company confirming the accuracy and completeness of the statements. These financial statements have thereafter been taken on record by Mr. Abhijit Guhathakurta, the Resolution Professional (RP) of the Company.

i) The RP has assumed control of Corporate Debtor with effect from September 30, 2019 and therefore was not in control of the operations or the management of the Corporate Debtor for the period to which the underlying financial statements pertain to;

ii) These financial statements 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 the Code;

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

iv) These financial statements have been prepared on the basis of certifications, representations and statements made by the directors and management of the Corporate Debtor, in relation to these financial statements. The RP has assumed that all information and data in the financial statements are conformity with applicable laws with respect to the preparation of the financial statements. Accordingly, the RP is not making any representations regarding accuracy, veracity or completeness of the data or information in the financial statements.

Note 67

Additional Information as required under Schedule - III to the Companies Act, 2013, of enterprises Consolidated as Subsidiary/ Associates/ Joint Ventures:

	Name of the Enterprises	Net Assets i.e Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated net Assets	Amount (₹ in Million)	As % of Consolidated Profit or Loss	Amount (₹ in Million)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Million)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Million)
a)	**Parent**								
	Videocon Industries Limited	24.08%	(26,358.41)	90.46%	(67,607.55)	-42.96%	(522.29)	92.67%	(68,129.84)
b)	**Foreign Subsidiary Companies**								
	Videocon JPDA 06-103 Limited	0.01%	(9.41)	0.00%	(0.53)	-	-	0.00%	(0.53)
	Videocon Energy Brazil Limited	27.13%	(29,687.32)	0.00%	(2.67)	-	-	0.00%	(2.67)
	Videocon Indonesia Nunukan Inc.	17.69%	(19,362.20)	3.90%	(2,918.05)	-	-	3.97%	(2,918.05)
	Videocon Australia WA-388-P Limited	0.02%	(23.10)	0.00%	(0.48)	-	-	0.00%	(0.48)
	Videocon Mauritius Energy Limited	-88.90%	97,294.36	0.00%	(0.44)	-	-	0.00%	(0.44)
	Videocon Hydrocarbon Holdings Limited	-107.14%	117,256.66	-7.46%	5,573.53	-	-	-7.58%	5,573.53
	Videocon Brazil Petroleo Ltda	0.00%	(0.27)	-	-	-	-	-	-
	Videocon Global Limited	0.55%	(600.34)	0.00%	(0.43)	-	-	0.00%	(0.43)
	Videocon Electronic (Shenzen) Limited	-0.01%	5.89	0.01%	(5.10)	-	-	0.01%	(5.10)
c)	**Indian Subsidiary Companies**								
	Videocon Energy Limited	-0.91%	992.49	0.00%	(0.06)	-	-	0.00%	(0.06)
	Prosperous Energy Private Limited	0.08%	(85.77)	0.00%	(1.54)	-	-	0.00%	(1.54)
	Pipavav Energy Private Limited	-15.08%	16,507.85	0.00%	(0.73)	-	-	0.00%	(0.73)
	Videocon Oil Ventures Limited	0.99%	(1,079.52)	1.67%	(1,247.54)	-	-	1.70%	(1,247.54)

Notes to consolidated financial statements for the year ended March 31, 2019 (Contd.)

Name of the Enterprises	Net Assets i.e Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated net Assets	Amount (₹ in Million)	As % of Consolidated Profit or Loss	Amount (₹ in Million)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Million)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Million)
Electroworld Digital Solutions Limited	-96.20%	105,292.20	0.51%	(378.52)	-	-	0.51%	(378.52)
Jumbo Techno Services Private Limited	-2.03%	2,218.31	0.00%	(0.02)	-	-	0.00%	(0.02)
Senior Consulting Private Limited	-0.01%	6.80	0.00%	(0.02)	-	-	0.00%	(0.02)
Videocon Telecommunications Limited	-6.45%	7,062.13	7.92%	(5,915.98)	0.06%	0.70	8.05%	(5,915.29)
Videocon Easypay Private Limited	-0.01%	9.11	-	-	-	-	-	-
d) **Indian Associates**								
(Investment accounted as per equity method)								
Radium Energy Private Limited	0.00%	(0.03)	-	-	-	-	-	-
VISPL LLP	0.00%	0.12	0.00%	0.12	-	-	0.00%	0.12
e) **Indian Joint Venture Companies**								
(Investment accounted as per equity method)								
Videocon Infinity Infrastructure Private Limited	0.00%	(0.05)	-	-	-	-	-	-
f) **Foreign Joint Venture Company**								
(Investment accounted as per equity method)								
IBV Brasil Petroleo Limitada	-5.87%	6,427.18	3.98%	(2,974.01)	-	-	4.05%	(2,974.01)
g) **Minority Interest in**								
Videocon Telecommunications Limited	-0.28%	305.33	0.35%	(259.53)	-	-	0.35%	(259.53)

Note 68

Segment Information

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the board members (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Group has three principal operating and reporting segments; viz. Consumer Electronics and Home Appliances, Crude Oil and Natural Gas and Telecommunications.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

A) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Others/Unallocable".

B) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Others/Unallocable".

a) Primary Segment Information

(₹ in Million)

Particulars	Consumer Electronics and Home Appliances		Crude Oil and Natural Gas		Telecommunications		Others		Total	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
i) **Segment Revenue**										
- External	2,813.01	23,222.12	6,286.86	5,275.65	10.39	1,577.82	-	-	9,110.26	30,075.59
- Inter segment	-	-	-	-	-	-	-	-	-	-
Total segment	**2,813.01**	**23,222.12**	**6,286.86**	**5,275.65**	**10.39**	**1,577.82**	**-**	**-**	**9,110.26**	**30,075.59**
ii) **Segment result before finance costs and tax**	(32,437.31)	(36,215.22)	1,164.67	(94.28)	(2,378.28)	(462.23)	-	-	(33,650.92)	(36,771.73)
Less: Finance costs	-	-	-	-	-	-	-	-	78,858.28	49,479.50
Add: Other unallocable income/(expenses)	-	-	-	-	-	-	-	-	38,496.62	16,668.32
Profit/(Loss) before extraordinary item and tax	-	-	-	-	-	-	-	-	(74,012.58)	(69,582.91)
Add: Extraordinary item	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) before share of profit of associates/ joint ventures and tax	-	-	-	-	-	-	-	-	(74,012.58)	(69,582.91)

(₹ in Million)

Particulars	Consumer Electronics and Home Appliances		Crude Oil and Natural Gas		Telecommunications		Others		Total	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Add: Share of profit of equity accounted investees	-	-	-	-	-	-	-	-	(2,973.89)	(1,991.71)
Add: Profit on disposal/ dilution of holding in subsidiaries/associates	-	-	-	-	-	-	-	-	742.92	274.10
Less: Tax expense	-	-	-	-	-	-	-	-	(1,506.54)	(5,763.33)
Profit/(Loss) for the year (before adjustment for non controlling interest)	-	-	-	-	-	-	-	-	(74,737.01)	(65,537.19)
Less: Share of profit transferred to non controlling interest	-	-	-	-	-	-	-	-	(259.56)	998.33
Profit/(Loss) for the year (after adjustment for non controlling interest)	-	-	-	-	-	-	-	-	(74,477.45)	(66,535.52)
iii) Other Information:										
Segment assets	141,852.41	164,200.49	202,251.02	187,793.94	29,178.59	31,516.45	131,168.62	113,948.24	504,450.64	497,459.12
Segment liabilities	160,675.28	140,378.03	279,946.09	236,987.09	34,976.50	31,399.94	138,298.52	124,877.91	613,896.39	533,642.97
Capital expenditure	(11.57)	58.74	101.26	24.70	-	2.59	-	21.83	89.69	107.86
Depreciation, amortization and impairment	5,139.35	7,942.73	100.49	173.35	59.89	150.99	16.21	40.50	5,315.94	8,307.57

b) Secondary Segment Information

(₹ in Million)

Particulars	Within India		Outside India		Total	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Segment revenue - external	9,076.86	27,625.28	33.40	2,450.31	9,110.26	30,075.59
Segment assets	287,812.95	296,209.82	216,637.69	201,249.30	504,450.64	497,459.12
Segment liabilities	343,071.71	307,081.19	270,824.68	226,561.78	613,896.39	533,642.97
Capital expenditure	65.32	106.54	24.37	1.32	89.69	107.86

Note 69

The figures of the current year are not comparable with those of the previous period as the current year's figures do not include the operations of certain subsidiaries/joint ventures/associates, consequent to their cessation/disposal to be subsidiaries/joint ventures/associates of the Company and include operations of certain subsidiaries/associates/jointventures for part of the period, consequent to their acquisition. Previous year figures have been reclassified, regrouped, recasted to confirm to the classification of the current year.

As per our report of even date
For S Z DESHMUKH & CO.
Chartered Accountants

D. U. KADAM
Partner
ICAI Membership No: 125886
Place : Mumbai
Date : December 3, 2019

RAJNEESH GUPTA
Chief Financial Officer

SAMRIDHI KUMARI
Company Secretary
Membership No. ACS 54714

For and behalf of the Board
V. N. DHOOT
Managing Director & CEO
DIN 00092450

S. S. DAYAMA
Director
DIN 00217692

STATEMENT CONTAINING SAILENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES

[Pursuant to First Proviso of Sub-Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

A) SUBSIDIARY COMPANIES

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Amount in	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment	Turnover/ Total Income	Profit/(Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend	% of Share Holding
1	Videocon Energy Limited	₹	₹ Million		1,000.00	(7.51)	993.19	0.70	-	-	(0.06)	-	(0.06)	-	100.00%
2	Prosperous Energy Private Limited	₹	₹ Million		0.10	(85.87)	357.08	442.85	-	-	(1.54)	-	(1.54)	-	100.00%
3	Pipavav Energy Private Limited	₹	₹ Million		10,583.46	5,924.39	16,627.30	119.44	-	-	(0.73)	-	(0.73)	-	100.00%
4	Videocon JPDA 06-103 Limited	US$	₹ Million	69.1713	0.07	(9.48)	0.34	9.75	-	-	(0.85)	-	(0.85)	-	100.00%
			US$ Million		0.00	(0.14)	-	0.14	-	-	(0.01)	-	(0.01)	-	
5	Videocon Energy Brazil Limited	US$	₹ Million	69.1713	0.07	(2,041.00)	200,479.95	202,520.89	34,073.51	-	(817.29)	-	(817.29)	-	100.00%
			US$ Million		0.00	(29.51)	2,898.31	2,927.82	492.60	-	(11.82)	-	(11.82)	-	
6	Videocon Indonesia Nunukan Inc.	US$	₹ Million	69.1713	0.07	(19,362.27)	634.22	19,996.42	-	-	(2,888.09)	-	(2,888.09)	-	100.00%
			US$ Million		0.00	(279.92)	9.17	289.09	-	-	(41.75)	-	(41.75)	-	
7	Videocon Australia WA-388-P Limited	US$	₹ Million	69.1713	0.00	(23.10)	-	23.10	-	-	(0.78)	-	(0.78)	-	100.00%
			US$ Million		0.00	(0.33)	-	0.33	-	-	(0.01)	-	(0.01)	-	
8	Videocon Mauritius Energy Limited	US$	₹ Million	69.1713	130,048.96	(32,754.51)	104,634.08	7,339.64	96,471.04	-	(0.37)	-	(0.37)	-	100.00%
			US$ Million		1,880.10	(473.53)	1,512.68	106.11	1,394.67	-	(0.01)	-	(0.01)	-	
9	Videocon Hydrocarbon Holdings Limited	US$	₹ Million	69.1713	14,041.77	113,686.82	380,139.36	252,410.76	130,049.38	51,323.03	5,196.48	-	5,196.48	-	100.00%
			US$ Million		203.00	1,643.55	5,495.62	3,649.07	1,880.11	741.97	75.12	-	75.12	-	
10	Videocon Brazil Petroleo Ltda	BRL	₹ Million	17.6372	0.18	(0.40)	0.06	0.29	-	-	-	-	-	-	100.00%
			BRL Million		0.01	(0.02)	-	0.02	-	-	-	-	-	-	
11	VOVL Limited	₹	₹ Million		1,850.00	(2,929.52)	267,087.00	268,166.51	12,042.09	1,982.57	(1,247.54)	-	(1,247.54)	-	100.00%
12	Videocon Global Limited	US$	₹ Million	69.1713	60.11	(660.45)	2,456.84	3,057.18	-	-	(0.43)	-	(0.43)	-	100.00%
			US$ Million		0.87	(9.55)	35.52	44.20	-	-	(0.01)	-	(0.01)	-	
13	Videocon Electronic (Shenzen) Limited	CNY	₹ Million	10.3070	9.48	(3.59)	7.35	1.47	-	33.06	(5.05)	-	(5.05)	-	100.00%
			CNY Million		0.92	(0.35)	0.71	0.14	-	3.21	(0.49)	-	(0.49)	-	
14	Electroworld Digital Solutions Ltd.	₹	₹ Million		124,204.72	(18,912.51)	113,084.10	7,791.89	65,287.38	0.17	(378.52)	-	(378.52)	-	100.00%
15	Jumbo Techno Services Private Ltd.	₹	₹ Million		1,000.00	1,218.31	8,813.66	6,595.34	8,000.00	0.17	(0.02)	-	(0.02)	-	100.00%
16	Senior Consulting Private Limited	₹	₹ Million		10.00	(3.20)	1,387.39	1,380.59	1,350.00	0.17	(0.02)	-	(0.02)	-	100.00%
17	Videocon Telecommunications Ltd.	₹	₹ Million		80,000.00	(72,937.87)	42,047.70	34,985.57	12,869.23	116.08	(5,915.98)	-	(5,915.98)	-	95.63%
18	Videocon Easypay Private Limited	₹	₹ Million		10.00	(0.89)	9.11	-	-	-	-	-	-	-	95.63%

B) ASSOCIATES AND JOINT VENTURES

Sr. No.	Name of Associates/ Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associate/ Joint Ventures held by the Company on the year end			Networth attributable to shareholding as per latest audited Balance Sheet	Profit/ Loss for the year		Description of how there is significant influence	Reasons why the Associate/ Joint Venture is not consolidated
			Nos.	Amount of Investment in Associates/ Joint Venture	Extend of Holding %		Considered in consolidation	Not considered in consolidation		
1	Videocon Infinity and Infrastructure Private Limited	March 31, 2019	5,000	0.05	50.00%	(0.05)	-	-	Note (a)	-
2	IBV Brasil Petroleo Limitada	December 31, 2018	N.A.	34,379.41	50.00%	3,025.09	(2,974.01)	-	Note (a)	-
3	VISPL LLP	March 31, 2019	N.A.	0.10	50.00%	0.12	0.12	-	Note (a)	-
4	Radium Appliances Private Limited	March 31, 2019	2,600	0.03	26.00%	(0.03)	-	-	Note (b)	-

(a) There is a significant influence by virtue of joint control.

(b) There is a significant influence due to percentage of share capital.

Names of the subsidiaries/Associates which are yet to commence operations:

1. VISPL LLP

As per our report of even date
For S Z DESHMUKH & CO.
Chartered Accountants

D. U. KADAM
Partner
ICAI Membership No: 125886
Place : Mumbai
Date : December 3, 2019

RAJNEESH GUPTA
Chief Financial Officer

SAMRIDHI KUMARI
Company Secretary
Membership No. ACS 54714

For and behalf of the Board
V. N. DHOOT
Managing Director & CEO
DIN 00092450

S. S. DAYAMA
Director
DIN 00217692

Notes

ATTENDANCE SLIP

VIDEOCON INDUSTRIES LIMITED

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

29th Annual General Meeting – 30.12.2019

Regd. Folio No. / Client ID No.																
DPID No.																
No. of shares held																

I certify that I am a registered Shareholder/Proxy for the registered Shareholder of the Company.

I hereby record my presence at the **29th ANNUAL GENERAL MEETING** of the Company held on Monday, 30th December, 2019 at 11.30 a.m. at the Registered Office of the Company at 14 K. M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, Aurangabad - 431 105 (Maharashtra).

....

Member's / Proxy's Name in Block Letters Member's / Proxy's Signature

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OFTHE HALL.

Please read errata for typesetting matter.

PROXY FORM

FORM MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

VIDEOCON INDUSTRIES LIMITED

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

29th Annual General Meeting – 30th December, 2019

Name of the Member(s)	
Registered address	
Email ID	
Folio No. / Client ID	
DPID	

I / we, being the Member (s) of shares of the above named Company, hereby appoint

Name:Email ID : ______________________________

Address : ______________________________

Signature : ____________________ or failing him/her

Name:Email ID : ______________________________

Address : ______________________________

Signature : ____________________ or failing him/her

Name:Email ID : ______________________________

Address : ______________________________

Signature : ____________________ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on the Monday, 30th December, 2019 at 11:30 a.m. at the Registered Office of the Company at 14 K.M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, Aurangabad – 431 105 (Maharashtra) and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution Number	Resolution	For	Against
Ordinary Business:			
1.	Adoption of Standalone and consolidated Audited Statement of Profit and Loss for the financial year ended 31st March, 2019 and the Audited Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.		
2.	To fix the remuneration of Statutory Auditor		
Special Business:			
3.	Ratification and confirmation of payment of remuneration to B.Sen & Co.,		
4.	Ratification and confirmation of payment of remuneration to B.Sen & Co. for financial year 2018-2019		

Signed this ______________________day of ____________2019.

Affix Revenue Stamp Re. 1

____________________________________ ____________________________________

Signature of the Shareholder Signature of the Proxy holder(s)

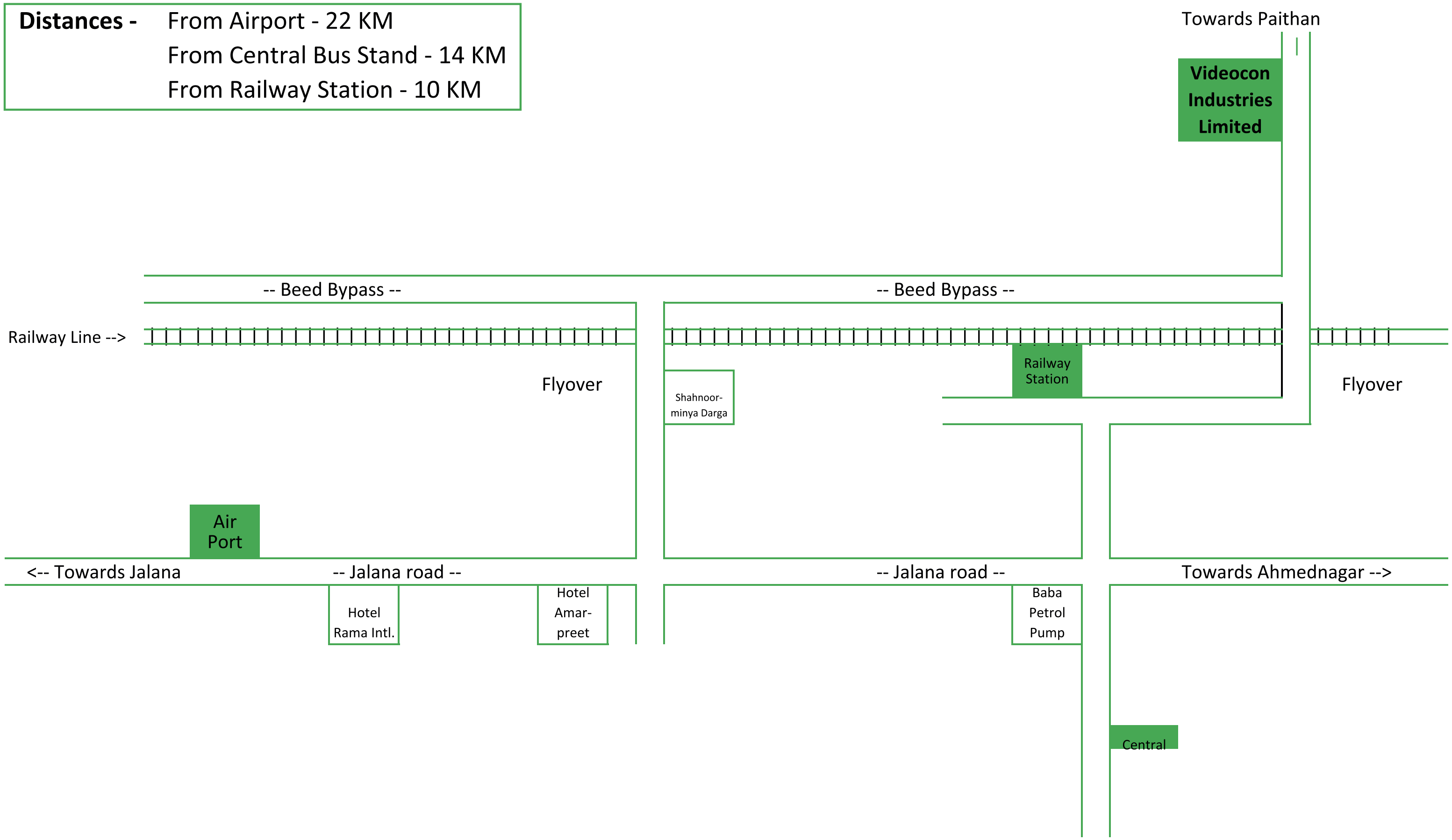
Notes:

This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

1. This form of Proxy inorder to be effective should be duly completed and deposited-at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. This is only optional. Please puta'√' in the appropriate column against the resolutions in dictated in the box above. If you leave the 'For' or 'Against' column blank again stany or all the resolutions,your Proxy will been titled to vote in the manners he/she thinks appropriate.
3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
4. In case of jointholders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

ROUTE MAP FOR THE VENUE OF THE ANNUAL GENERAL MEETING

Distances - From Airport - 22 KM
From Central Bus Stand - 14 KM
From Railway Station - 10 KM



If undelivered, please return to:

MCS Share Transfer Agent Limited
Unit: Videocon Industries Limited
A-209, C Wing, 2nd floor Gokul Industries Estate Building,
Sagbaug, Marol Co-op Industrial Area,
B/H Times Square, Andheri East, Mumbai- 400059