

Walker Chandiook & Co LLP

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Independent Auditor's Report

To the Members of Appserve Appliance Private Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Appserve Appliance Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the period then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.



6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the period ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in Annexure I, 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 purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the financial statements of the Company for the period ended on that date and our report dated 24 May 2018 as per Annexure II expressed unmodified opinion;



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- g) 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, does not has any pending litigations on its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sumit Mahajan

Sumit Mahajan

Partner

Membership No.: 504822



Place: Gurugram

Date: 24 May 2018

Walker ChandioK & Co LLP

Annexure I to the Independent Auditor's Report of even date to the members of Appserve Appliance Private Limited, on the financial statements for the period ended 31 March 2018

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

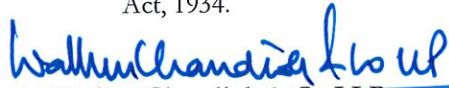
- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets comprising of Property, Plant and Equipment, and Other Intangible assets.
- (b) The fixed assets comprising of Property, Plant and Equipment and Other Intangible assets have been physically verified by the management during the period and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets comprising of Property, Plant and Equipment, and Other Intangible assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable property. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the period and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products and services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the period-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.



Walker ChandioK & Co LLP

Annexure I to the Independent Auditor's Report of even date to the members of Appserve Appliance Private Limited, on the financial statements for the period ended 31 March 2018

- (viii) The Company has no loans or borrowings payable to the government or any outstanding debentures during the period.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments).
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the period, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.



For Walker ChandioK & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Sumit Mahajan

Partner

Membership No.: 504822



Place: Gurugram

Date: 24 May 2018

Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Appserve Appliance Private Limited on the financial statements for the period ended 31 March 2018

Annexure II

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Appserve Appliance Private Limited ('the Company') as at and for the period ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors 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 the Company's business, including adherence to the 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR include 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 authorisations of management and directors of the Company; and (3) provide



Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Appserve Appliance Private Limited on the financial statements for the period ended 31 March 2018

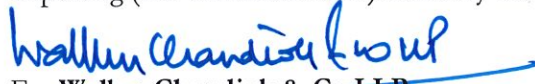
reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, 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).



For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Sumit Mahajan

Partner

Membership No.: 504822



Place: Gurugram

Date: 24 May 2018

Appserve Appliance Private Limited
 Balance Sheet as at 31 March 2018
 (All amount in Rupees lakhs unless otherwise stated)

Particulars	Notes	As at 31 March 2018
ASSETS		
Non-current assets		
Property, plant and equipment	4	24.98
Intangible assets	5	2.99
Other non-current assets	6	0.34
Total non-current assets		28.31
Current assets		
Inventories	7	10.14
Financial assets		
Trade receivables	8	4.56
Cash and cash equivalents	9	26.32
Other bank balances	10	67.27
Loans	11	3.64
Other financial assets	12	1.94
Other current assets	13	15.10
Total current assets		128.97
Total assets		157.28
EQUITY AND LIABILITIES		
Equity		
Equity share capital	14	150.00
Other equity	15	(53.07)
Total equity		96.93
Non-current liabilities		
Provisions	16	0.34
Deferred tax liabilities (net)	17	
Total non-current liabilities		0.34
Current liabilities		
Financial liabilities		
Trade payables	18	47.22
Other financial liabilities	19	11.31
Other current liabilities	20	1.47
Provisions	21	0.01
Total current liabilities		60.01
Total liabilities		60.35
Total equity and liabilities		157.28

Summary of significant accounting policies 3

The accompanying notes are integral part of the financial statements.

This is the balance sheet referred to in our report of even date

Walker Chandiek & Co
 For Walker Chandiek & Co LLP
 Chartered Accountants

For and on behalf of Board of Directors of
 Appserve Appliance Private Limited

Sumit Mahajan
 Sumit Mahajan
 Partner



Darjit Singh
 Darjit Singh
 Director
 (DIN: 02023964)

Jasjit Singh
 Jasjit Singh
 Director
 (DIN: 00259632)

Place: Gurugram
 Date: 24 May 2018

Place: Gurugram
 Date: 24 May 2018


Appserve Appliance Private Limited
Statement of Profit and Loss for the period 4 December 2017 to 31 March 2018
(All amount in Rupees lakhs unless otherwise stated)

	Notes	For the period ended 31 March 2018
Revenue		
Revenue from operations	22	9.96
Other income	23	0.30
Total income		10.26
Expenses		
Cost of materials consumed	24	4.48
Employee benefits expense	25	16.99
Depreciation and amortisation expense	26	0.25
Other expenses	27	41.61
Total expenses		63.33
Profit before tax		(53.07)
Tax expense		
Current tax		-
Deferred tax		-
Net loss for the period		(53.07)
Other comprehensive loss		
Items that will not be reclassified to profit or loss		-
Other comprehensive income for the period		-
Total comprehensive income for the period		(53.07)
Earning per equity share		
(Nominal value of equity share Rs 10 each)	28	
Basic		(3.54)
Diluted		(3.54)

Summary of significant accounting policies 3

The accompanying notes are integral part of the financial statements.

This is the statement of profit and loss referred to in our report of even date.



For Walker Chandiook & Co LLP
Chartered Accountants

For and on behalf of Board of Directors of
Appserve Appliance Private Limited


Sumit Mahajan
Partner




Daljit Singh
Director
(DIN: 02023964)


Jasbir Singh
Director
(DIN: 00259632)

Place: Gurugram
Date: 24 May 2018

Place: Gurugram
Date: 24 May 2018

Appserve Appliance Private Limited
Cash flow statement for the period 4 December 2017 to 31 March 2018
(All amount in ₹ lacs unless otherwise stated)

		For the period ended 31 March 2018
A. Cash flows from operating activities		
Loss before tax		(53.07)
Adjustment for:		
Depreciation and amortisation		0.25
Interest income		(0.30)
Operating profit before working capital changes		(53.12)
Movements in working capital:		
Trade receivables		(4.56)
Inventories		(10.14)
Financial and other assets		(20.68)
Trade payables		47.22
Provisions		0.35
Financial and other liabilities		6.92
Cash generated from operations		(34.01)
Income tax (net)		-
Net cash generated used in operating activities	A	(34.01)
B. Cash flows from investing activities		
Purchase of property, plant and equipment and intangibles		(22.70)
Movement in bank deposits		(67.00)
Interest received from bank deposits		0.03
Net cash used in from investing activities	B	(89.67)
C. Cash flows from financing activities:		
Proceeds from issuance of Equity share capital		150.00
Net cash generated from financing activities	C	150.00
D Net increase in cash and cash equivalent (A+B+C)		26.32
E Cash and cash equivalent at the beginning of the period		-
Cash and cash equivalent at the end of the period (D+E) {refer note 9}		26.32

Accompanying notes form an integral part of these financial statements.

This is the cash flow statement referred to in our report of even date.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP
Chartered Accountants

For and on behalf of Board of Directors of
Appserve Appliance Private Limited

Sumit Mahajan
Sumit Mahajan
Partner



Daljit Singh
Daljit Singh
Director
(DIN: 02023964)

Jasbir Singh
Jasbir Singh
Director
(DIN: 00259632)

Place: Gurugram
Date: 24 May 2018

Place: Gurugram
Date: 24 May 2018

Appserve Appliance Private Limited
 Statement of changes in equity for the period 4 December 2017 to 31 March 2018
 (All amount in Rupees lakhs unless otherwise stated)

A Equity share capital

	Amount
Equity share capital issued during the period	150.00
Balance as at 31 March 2018	150.00

B Other equity

Particulars	Retained earnings	Total
Profit for the period	(53.07)	(53.07)
Other comprehensive income/(loss)		
Balance as at 31 March 2018	(53.07)	(53.07)

The accompanying notes are integral part of the financial statements.

This is the statement of changes in equity referred to in our report of even date.



 For Walker Chandiook & Co LLP
 Chartered Accountants

For and on behalf of Board of Directors of
Appserve Appliance Private Limited


 Sumit Mainajan
 Partner




 Daljit Singh
 Director
 (DIN: 02023964)


 Jasbir Singh
 Director
 (DIN: 00259632)

Place: Gurugram
 Date: 24 May 2018

Place: Gurugram
 Date: 24 May 2018

1. Corporate information and statement of compliance with Indian Accounting Standards (Ind AS)

Appserve Appliance Private Limited (the "Company") a private limited company domiciled in India and having its registered office at C-2, Phase II, Focal Point, Rajpura, Patiala (Punjab) - 140401 was incorporated in December 2017, under the Companies Act 2013, is engaged in the business of business of repair, maintenance, installation, assembly and routine servicing activities of all kinds of white goods i.e. RACs, washing machines, refrigerators, consumer durables and other similar equipment and components and to establish repair shops for the same along with other related activities..

The financial statements of the Company have been prepared to comply in all material respects with accounting principles generally accepted in India, including Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act.

These financial statements for the period 4 December 2017 to 31 March 2018 are the first financial statements of the Company.

2. Basis of preparation and significant accounting policies

a. Basis of preparation

The financial statements have been prepared on accrual and going concern basis under historical cost convention except for certain financial instruments and plan assets, which are measured at fair values.

The significant accounting policies and measurement bases have been summarised below.

Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and as per terms of agreements wherever applicable. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

b. Revenue recognition

Revenue is recognised to the extent it is probable that future economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable net of related rebates. The following specific recognition criteria must also be met before revenue is recognised:

Revenue from operations

Revenue from the sale of goods and services is recognised when the significant risks and rewards of ownership of the goods and services have passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest income

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

Insurance claims

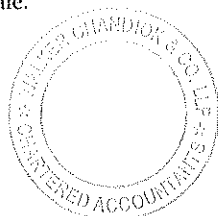
Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

c. Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.



d. Income taxes

Tax expense recognised in the statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income (OCI) or directly in equity.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (i.e. in OCI or equity depending upon the treatment of underlying item).

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside statement of profit and loss (in OCI or equity depending upon the treatment of underlying item).

e. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

f. Foreign currency transactions

The financial statements are presented in Indian Rupee ('INR' or 'Rs.') which is also the functional currency of the Company.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/expenses, as the case maybe.

g. Financial instruments

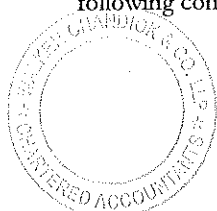
Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:

Non-derivative financial assets

Subsequent measurement

- i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost, if both the following conditions are met:



- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables: In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets: In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.



Derivative financial instruments

Initial and subsequent measurement

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

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 realise the assets and settle the liabilities simultaneously.

h. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

i. Property, plant and equipment ('PPE')

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and definition of asset is met. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

Subsequent measurement (depreciation and useful lives)

Depreciation on fixed assets is provided on straight line method based on life prescribed as per Schedule II of the Companies Act, 2013.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

j. Intangible assets

Recognition, initial measurement and subsequent measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Amortisation methods and periods



The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

	Useful life (in years)
Computer softwares	6
Patent and Trade Mark	6

k. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For this purpose, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.

l. Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease, unless the increase in rent is to compensate the lessor for the effects of inflation.

m. Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

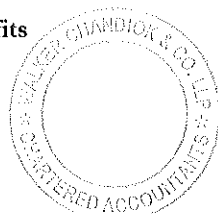
In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

n. Employee benefits



Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard 19- Employee Benefits.

Defined benefit plans

Gratuity

The Company operates one defined benefit plan for its employees, viz. gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gain and loss for the defined benefit plan is recognized in full in the period in which they occur in other comprehensive income.

Other long term benefits

Accumulated leave expected to be carried forward beyond twelve months, is treated as long term employee benefit. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short term employee benefit.

Liability under continuity linked key resource and deferred salary schemes is provided for on actuarial valuation basis, which is done as per the projected unit credit method at the end of each financial period.

Defined contribution plans

Provident Fund

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which services are rendered by the employee.

Short-term employee benefits

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

o. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting done to the chief operating decision maker. The Company operates in a single operating segment and geographical segment

3. Recent accounting pronouncement

In March 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, Revenue from contract with customers, Appendix B to Ind-AS 21, Foreign currency transactions and advance consideration and amendments to certain other standards. These amendments are applicable to the Company from 1st April, 2018. The Company will be adopting the amendments from their effective date.

Ind AS 115: Revenue from Contracts with Customers

Ind AS 115 supersedes Ind AS 11, Construction contracts and Ind AS 18, Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from contract with customers. The principle of Ind AS 115 is that an entity should recognize revenue that demonstrates the transfer of promised goods and services to customers at an amount that reflect the consideration to which the entity expects to be



entitled in exchange for those goods and services. The standards can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of the standard.

Based on the preliminary assessment performed by the company, the impact of application of standard is not expected to be material.

Appendix B to Ind AS 21, Foreign currency transaction and advance consideration

The appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment of receipt of advance consideration towards such asset , expenses or income . If there are multiple payments or receipt in advance , then an entity must determine an transaction date for each payments or receipts of advance consideration.

Based on the preliminary assessment performed by the company, the impact of application of appendix is not expected to be material.

4. Significant accounting judgements, estimates and assumptions

When preparing the financial statements management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

Significant judgements:

(i) Evaluation of indicators for impairment of non-financial assets

The evaluation of applicability of indicators of impairment of non-financial assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

(ii) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

(iii) Contingent liabilities

The Company is the subject of certain legal proceedings which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

Sources of estimation uncertainty:

(i) Provisions

At each balance sheet date, basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from management's estimates.

(ii) Fair valuation of financial instruments

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.



(iii) Recoverability of advances/receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.



Appserve Appliance Private Limited

Summary of significant accounting policies and other explanatory information for the period 4 December 2017 to 31 March 2018

(All amount in Rupees lakhs unless otherwise stated)

4. Property, plant and equipment

Description	Plant and machinery	Computers	Furniture and fixture	Office and other equipment	Total
Gross carrying value					
Additions	16.28	2.50	5.75	0.70	25.23
Disposals	-	-	-	-	-
As at 31 March 2018	16.28	2.50	5.75	0.70	25.23
Accumulated depreciation					
Charge for the period	0.07	0.13	0.03	0.02	0.25
Adjustment for disposals	-	-	-	-	-
As at 31 March 2018	0.07	0.13	0.03	0.02	0.25
Net block as at 31 March 2018	16.21	2.37	5.72	0.68	24.98

5. Intangible assets

	Patent and trade mark	Softwares	Total intangible assets
Gross carrying value			
Additions		1.00	3.00
Disposals		-	-
Balance as at 31 March 2018	1.00	2.00	3.00
Accumulated amortisation			
Amortisation charge for the period*	0.01	-	0.01
Disposals	-	-	-
Balance as at 31 March 2018	0.01	-	0.01
Net book value as at 31 March 2018	0.99	2.00	2.99

* Amortisation of softwares is amounting Rs. 274, rounded off in lakhs.



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Appserve Appliance Private Limited

Summary of significant accounting policies and other explanatory information for the period 4 December 2017 to 31 March 2018

(All amount in Rupees lakhs unless otherwise stated)

	As at 31 March 2018
6 Other non-current assets	
Capital advances	0.34
	<u>0.34</u>
7 Inventories	
Traded goods	10.14
	<u>10.14</u>
8 Trade receivables*	
Others	
Unsecured, considered good	4.56
	<u>4.56</u>
* The carrying values are considered to be a reasonable approximation of fair value.	
9 Cash and cash equivalents	
Cash in hand	3.12
Balances with banks:	
- in current and cash credit accounts	0.20
- in deposit accounts- original maturity upto 3 months	23.00
	<u>26.32</u>
10 Other bank balances*	
Balances with banks:	
- in deposit accounts- original maturity more than 3 months but upto 12 months	67.27
	<u>67.27</u>
* The carrying values are considered to be a reasonable approximation of fair value.	
11 Loans	
Current	
Unsecured, considered good	
Security deposits*	3.64
	<u>3.64</u>
* The carrying values are considered to be a reasonable approximation of fair value.	
12 Other financial assets	
Current	
Unbilled revenue*	1.94
	<u>1.94</u>
* The carrying values are considered to be a reasonable approximation of fair value.	
13 Other current assets	
Balances with statutory and government authorities	11.69
Advance to suppliers	2.90
Prepaid expenses	0.51
	<u>15.10</u>



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Appserve Appliance Private Limited

Summary of significant accounting policies and other explanatory information for the period 4 December 2017 to 31 March 2018

(All amount in Rupees lakhs unless otherwise stated)

		As at 31 March 2018
14	Equity share capital	
	Authorised capital	
	20,00,000 Equity shares of Rs 10 each	200.00
	Issued, subscribed capital and fully paid up	200.00
	1,500,000 Equity shares of Rs 10 each	150.00
		150.00

i) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the 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.

ii) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

		31 March 2018	
		No. of shares	(Rs lakhs)
Equity share capital of Rs. 10 each fully paid up			
Add: Issue of new equity shares		15,00,000	150.00
Balance at the end of the year		15,00,000	150.00

iii) Shareholders holding more than 5% of shares of the Company as at balance sheet date:

		As on 31 March 2018	
		No. of shares	% holding
Amber Enterprises India Limited (formerly Amber Enterprises (India) Private Limited)		15,00,000	100%

iv) Shares held by holding company

Out of equity shares issued by the Company, shares held by its Holding Company are as below:

		As on 31 March 2018	
		No. of shares	% holding
Amber Enterprises India Limited (formerly Amber Enterprises (India) Private Limited)		15,00,000	100%

v) The Company has neither issued equity shares pursuant to contract without payment being received in cash or any bonus shares nor has there been any buy-back of shares in the current period.

15 Other equity

		As at 31 March 2018
Retained earnings		
Balance at the beginning of the period		-
Add : Transferred from statement of profit and loss		(53.07)
Balance at the end of the period		(53.07)



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Appserve Appliance Private Limited
 Summary of significant accounting policies and other explanatory information for the period 4 December 2017 to 31 March 2018
 (All amount in Rupees lakhs unless otherwise stated)

	As at 31 March 2018
16 Long-term provisions (non-current)	
Provision for employee benefits	
Gratuity	0.16
Leave encashment	0.18
	<u>0.34</u>
For disclosures related to provision for employee benefits, refer note 32- Employee benefit obligations	
17 Deferred tax liabilities (net)	
Tax effect of items constituting deferred tax liabilities	
Property, plant and equipment and intangibles	0.60
Total deferred tax liabilities	<u>0.60</u>
Tax effect of items constituting deferred tax assets:	
Employees benefit expenses	0.12
Allowance under Section 35D - Preliminary expenses	0.48
Deferred tax assets	<u>0.60</u>
Deferred tax liabilities/ (assets) (net)	<u>-</u>

Notes:

(i) Movement in deferred tax assets/(liabilities) for period ended 31 March 2018:

Particulars	4 December 2017	Recognised in other comprehensive income/ equity	Recognised statement of profit and loss	31 March 2018
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment and intangibles	-	-	0.60	0.60
Total deferred tax liabilities	-	-	<u>0.60</u>	<u>0.60</u>
Tax effect of items constituting deferred tax assets:				
Employees benefit expenses	-	-	0.12	0.12
Allowance under Section 35D - Preliminary expenses	-	-	0.48	0.48
Total deferred tax assets	-	-	<u>0.60</u>	<u>0.60</u>
Deferred tax liabilities/ (assets) (net)	-	-	-	-

(ii) Tax losses and unabsorbed depreciation

The following table summarises the unused tax losses and credits under the Income Tax Act, 1961, as at 31 March 2018:

Assessment year	Unabsorbed depreciation	Unused tax losses
2018-19	2.59	49.73

Tax losses can be carried forward for a period of eight years from the date of incurrance of such losses and unabsorbed depreciation can be carried forward indefinitely.

18 Trade payables

Due to micro and small enterprises [refer note (a) below]	-
Dues to others	47.22
	<u>47.22</u>

a. Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006

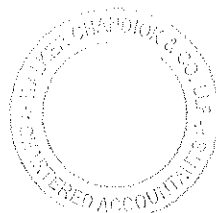
On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the company, the following are the details:

Principal amount remaining unpaid.	Nil
Interest accrued and due thereon remaining unpaid.	Nil
Interest paid by the company in terms of service 16 of MSMED Act 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the period.	Nil
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period), but without adding the interest specified under MSMED Act, 2006.	Nil
Interest accrued and remaining unpaid as at the end of the period	Nil
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	Nil

19 Other financial liabilities

Creditors for capital expenditure	5.87
Expenses payable	1.13
Employee related payables	4.31
	<u>11.31</u>

The carrying values are considered to be a reasonable approximation of fair value.



Appserve Appliance Private Limited

Summary of significant accounting policies and other explanatory information for the period 4 December 2017 to 31 March 2018
(All amount in Rupees lakhs unless otherwise stated)

	<u>As at</u> <u>31 March 2018</u>
20 Other current liabilities	
Statutory dues	1.47
	<u>1.47</u>
21 Short-term provisions	
Provision for employee benefits	
Gratuity*	-
Leave encashment	0.01
	<u>0.01</u>

* Rs. 58 is rounded off to rupees in lakhs.
For disclosures related to provision for employee benefits, refer note 49- Employee benefit obligations



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Appserve Appliance Private Limited

Summary of significant accounting policies and other explanatory information for the period 4 December 2017 to 31 March 2018

(All amount in Rupees lakhs unless otherwise stated)

	For the period ended 31 March 2018
22 Revenue from operations	
Operating revenue	
Sale of products (including excise duty)	1.71
Sale of services	8.25
	<u>9.96</u>
23 Other income	
Interest on bank deposits	0.30
	<u>0.30</u>
24 Cost of materials consumed	
Opening stock	-
<i>Add:</i> Purchases made during the year	14.62
	<u>14.62</u>
<i>Less:</i> Closing stock	10.14
	<u>4.48</u>
25 Employee benefits expense	
Salary, wages and bonus	16.33
Contribution to provident and other funds	0.34
Staff welfare expenses	0.32
	<u>16.99</u>
For disclosures related to provision for employee benefits, refer note 32- Employee benefit obligations	
26 Depreciation and amortisation expense	
Depreciation on property, plant and equipments (also refer note 4)	0.24
Amortisation of intangible assets(also refer note 5)	0.01
	<u>0.25</u>
27 Other Expenses	
Power, fuel and water charges	0.16
Contractual labour charges	24.51
Freight inward and octroi charges	0.01
Legal and professional fees [refer note (a) below]	1.41
Workshop expenses	0.02
Travelling and conveyance	3.39
Repairs and maintenance	
-Plant and Machinery	0.03
-Buildings	0.42
-Others	0.05
Rent expense	3.28
Rates and taxes	3.04
Postage, telephone and telex	0.11
Vehicle running expenses	1.50
Printing and stationary	0.31
Business promotion expenses	0.05
Hiring charges	2.56
commission expenses	0.35
Office Expenses	0.34
Uniform Expenses	0.05
Miscellaneous expenses	0.02
	<u>41.61</u>
a) Legal and professional includes payment to the statutory auditor	
For statutory audit	0.25
	<u>0.25</u>



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Appserve Appliance Private Limited

Summary of significant accounting policies and other explanatory information for the period 4 December 2017 to 31 March 2018

(All amount in Rupees unless otherwise stated)

For the period ended 31 March 2018

28	Earnings per share		
	Net profit/ (loss) attributable to equity shareholders		(53.07)
	Weighted average number of equity shares in calculating basic and diluted earnings per share		1,500,000
	Basic and diluted earnings/ (loss) per share		(3.54)
	Nominal value per equity shares (Rs.)		10.00

29 **Related party disclosures**A. **Relationship with related parties**I. **Holding Company** Amber Enterprises India LimitedII. **Key management personnel (KMP)**

- a. Mr. Jasbir Singh (Director)
- b. Mr. Daljit Singh (Director)
- c. Mrs. Amandeep Kaur (Director)

The following transactions were carried out with related parties in the ordinary course of business for the period ended 31 March 2018

S No.	Particulars	Holding Company
(A)	Transactions made during the period:	
1	Purchase of traded goods Amber Enterprises India Limited	4.91
2	Purchase of property, plant and equipment Amber Enterprises India Limited	2.57
2	Reimbursement of expenses Amber Enterprises India Limited	10.56
(B)	Balances at period end	
	Trade payable Amber Enterprises India Limited	18.39



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Appserve Appliance Private Limited

Summary of significant accounting policies and other explanatory information for the period 4 December 2017 to 31 March 2018

(All amount in Rupees lakhs unless otherwise stated)

	For the period ended 31 March 2018
30 Tax expense	
Current tax	-
Deferred tax	-
Total Tax expense	-

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 25.75% and the reported tax expense in profit or loss are as follows:

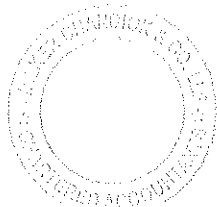
Particulars	For the period ended 31 March 2018
Profit/ (loss) before tax	(53.07)
Income tax using the Company's domestic tax rate *	25.75%
Expected tax expense [A]	(13.66)
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense	
Non-deductible expenses/non-taxable income	-
Current unabsorbed depreciation and losses for which no deferred tax asset is recognised	13.47
Others	0.19
Total adjustments [B]	13.66
Actual tax expense [C=A+B]	-

* Domestic tax rate applicable to the Company has been computed as follows

Base tax rate	25%
Surcharge (% of tax)	0%
Cess (% of tax)	3%
Applicable rate	25.75%

31 Leases

The Company has entered into operating leases for its premises at Noida and New Delhi. Total lease payments recognised in the statement of profit and loss with respect to aforementioned premises is Rs 3.28 lakhs for the period ended 31 March 2018.



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32 Employee benefit obligations

Particulars	31 March 2018	
	Current	Non-current
Gratuity	-	0.16
Leave encashment	0.01	0.18
Total	0.01	0.34

A Disclosure of gratuity

(i) Amount recognised in the statement of profit and loss is as under:

Description	31 March 2018
Current service cost	0.16
Interest cost	-
Net impact on profit (before tax)	0.16
Actuarial loss/(gain) recognised during the year	-
Amount recognised in total comprehensive income	0.16

(ii) Change in the present value of obligation:

Description	31 March 2018
Present value of defined benefit obligation as at the beginning of the period	-
Current service cost	0.16
Interest cost	-
Benefits paid	-
Actuarial loss	-
Present value of defined benefit obligation as at the end of the period	0.16

(iii) Reconciliation of present value of defined benefit obligation and the fair value of assets:

Description	31 March 2018
Present value of funded obligation as at the end of the period	0.16
Fair value of plan assets as at the end of the period funded status	-
Unfunded net liability recognised in balance sheet	(0.16)

(iv) Breakup of actuarial (gain)/loss:

Description	31 March 2018
Actuarial (gain)/loss from change in demographic assumption	-
Actuarial (gain)/loss from change in financial assumption	-
Actuarial (gain)/loss from experience adjustment	-
Total actuarial (gain)/loss	-

(v) Actuarial assumptions

Description	31 March 2018
Discount rate	7.75% per annum
Rate of increase in compensation levels	5.00% per annum
Expected rate of return on plan assets	0.00%
Retirement age	60 years

Notes:

- a) The discount rate is based on the prevailing market yield of Indian Government bonds as at the balance sheet date for the estimated terms of obligations.
b) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(vi) Sensitivity analysis for gratuity liability

Description	31 March 2018
Impact of change in discount rate	
Present value of obligation at the end of the year	
- Impact due to increase of 1.00 %	0.14
- Impact due to decrease of 1.00 %	0.19
Impact of change in salary increase	
Present value of obligation at the end of the year	
- Impact due to increase of 1.00 %	0.19
- Impact due to decrease of 1.00 %	0.14

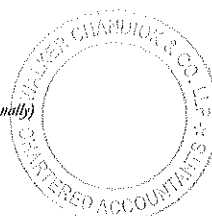
The above sensitivity analysis is based on a change an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

(vii) Maturity profile of defined benefit obligation

Description	31 March 2018
Within next 12 months	-
Between 1-5 years	-
Beyond 5 years	0.29

(viii) The expected contribution to the plan for next annual reporting period amounts to Rs. 0.18 lakhs.

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33 Fair Value Disclosures

i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are Companded into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) Financial assets measured at fair value - recurring fair value measurements

The Company does not have any financial instruments which are measured at Fair value either through statement of profit and loss or through other comprehensive income.

(iii) Fair value of instruments measured at amortised cost

The management assessed that fair values of current loans, current financial assets, cash and cash equivalents, other bank balances, trade receivables, trade payables and other current financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

34 Financial risk management

i) Financial instruments by category

Particulars	31 March 2018		
	FVTPL	FVOCI	Amortised cost
Financial assets			
Trade receivables	-	-	4.56
Cash and cash equivalents	-	-	26.32
Other bank balances	-	-	67.27
Loans	-	-	3.64
Other financial assets	-	-	1.94
Total	-	-	103.73
Financial liabilities			
Trade payable	-	-	47.22
Other financial liabilities	-	-	11.31
Total	-	-	58.53

ii) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The Company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- cash and cash equivalents,
- trade receivables,
- loans & receivables carried at amortised cost, and
- deposits with banks



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Appserve Appliance Private Limited

Summary of significant accounting policies and other explanatory information for the period 4 December 2017 to 31 March 2018

(All amount in Rupees lakhs unless otherwise stated)

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified

- A: Low
- B: Medium
- C: High

Assets under credit risk –

Credit rating	Particulars	31 March 2018
A: Low	Cash and cash equivalents	26.32
	Other bank balances	67.27
	Loans	3.64
	Other financial assets	1.94
B: Medium	Trade receivables	4.56

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

Trade receivables

The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due one year.

b) Expected credit losses

Trade receivables

Company's major trade receivables are with credit worthy counterparties. Therefore, these trade receivables are considered high quality and accordingly no life time expected credit losses are recognised on such receivables based on simplified approach. The Company considers that trade receivables are not credit impaired as these are receivable from credit worthy counterparties.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

a) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity Companyings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 March 2018	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade payable	47.22	-	-	-	47.22
Other financial liabilities	11.31	-	-	-	11.31
Total	58.53	-	-	-	58.53

b) Interest rate risk

i) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

35 Capital management

The company's capital includes issued share capital and all other distributable reserves. The primary objective of the Company's capital management is to maximise shareholder value and to maintain an optimal capital structure to reduce the cost of capital. The company does not have any long-term borrowings and short-term borrowings.

36 Contingent liabilities and commitments

- Claims against company not acknowledged as debt
- Guarantees
- Commitments

As at	31
March 2018	
	Nil
	Nil
	Nil



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Appserve Appliance Private Limited

Summary of significant accounting policies and other explanatory information for the period 4 December 2017 to 31 March 2018

(All amount in Rupees lakhs unless otherwise stated)

- 37 The Company is engaged in the business of repair, maintenance, installation, assembly and routine servicing activities of all kinds of white goods i.e. RACs, washing machines, refrigerators, consumer durables and other similar equipment and components. Basis the nature of Company's business and operations, the Company has one operating segment for which information is reviewed by the Chief Operating Decision Maker (CODM) to allocate resources and assess performance. Hence, the Company has only one reportable segment as per the requirements of Ind AS 108 – 'Operating Segments'.

These are notes to accounts as referred to in our report of even date.


For Walker Chandiook & Co LLP
Chartered Accountants


Sumit Mahajan
Partner



Place: Gurugram
Date: 24 May 2018

For and on behalf of Board of Directors of
Appserve Appliance Private Limited


Daljit Singh
Director
(DIN: 02023964)


Jasbir Singh
Director
(DIN: 00259632)

Place: Gurugram
Date: 24 May 2018