

Walker Chandiook & Co LLP

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Independent Auditor's Report

To the Members of Appserve Appliance Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Appserve Appliance Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 2 (a) to the accompanying financial statements regarding the management's intention of winding up the Company in near future. Accordingly, the management has not prepared the accompanying financial statements for the year ended 31 March 2020 using going concern basis of accounting and therefore, assets have been stated at their estimated net realizable values and liabilities have been stated at the amount at which they are expected to be discharged. Our opinion is not modified in respect of this matter.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Independent Auditor's Report of even date to the members of Appserve Appliance Private Limited on the financial statements for the year ended 31 March 2020 (Cont'd)

Information other than the Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information 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.

The Director's Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

6. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - identify and assess the risks of material misstatement of the 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,



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Independent Auditor's Report of even date to the members of Appserve Appliance Private Limited on the financial statements for the year ended 31 March 2020 (Cont'd)

as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control 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 with reference to financial statements 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
10. 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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
12. 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.
13. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 of the accompanying financial statements;
 - 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) the matter described in paragraph 4 under the Emphasis of Matter, in our opinion, may have an adverse effect on the functioning of the Company;



Walker Chandiook & Co LLP

Independent Auditor's Report of even date to the members of Appserve Appliance Private Limited on the financial statements for the year ended 31 March 2020 (Cont'd)

- f) 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 2020 from being appointed as a director in terms of section 164(2) of the Act;
- g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 29 May 2020 as per Annexure II expressed unmodified opinion; and
- h) 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 have any pending litigations which would impact its financial position as at 31 March 2020;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and
 - 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.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Sandeep Mehta
Partner
Membership No.: 099410
UDIN: 20099410AAAABA8233



Place: Chandigarh
Date: 29 May 2020

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 year ended 31 March 2020

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 including intangible assets.
 - (b) The fixed assets including intangible assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets including 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) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (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/ 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 year-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.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.



Walker Chandiook & 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 year ended 31 March 2020 (Cont'd)

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (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, the Company has not entered into any transactions with the related parties. Accordingly, provisions of clause 3(xiii) of the Order are not applicable.
- (xiv) During the year, 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 Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Sandeep Mehta

Partner
Membership No.: 099410
UDIN: 20099410AAAABA8233



Place: Chandigarh
Date: 29 May 2020

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 year ended 31 March 2020

Annexure II

Independent Auditor's Report on the internal financial controls with reference to the financial statements 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 year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management 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 for the Audit of the Internal Financial Controls with Reference to the Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 internal financial controls with reference to financial statements.



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 year ended 31 March 2020 (Cont'd)

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 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 with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements and such controls were operating effectively as at 31 March 2020, 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 of Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Sandeep Mehta
Partner
Membership No.: 099410
UDIN: 20099410AAAABA8233



Place: Chandigarh
Date: 29 May 2020

Appserve Appliance Private Limited
Balance Sheet as at 31 March 2020
(All amount in Rupees lakh unless otherwise stated)

| Particulars | Notes | As at 31 March 2020 | As at 31 March 2019 |
|--|-------|------------------------|------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 4 | - | - |
| Intangible assets | 5 | 1.99 | 2.49 |
| Total non-current assets | | 1.99 | 2.49 |
| Current assets | | | |
| Financial assets | | | |
| Trade receivables | 6 | 8.05 | 13.92 |
| Cash and cash equivalents | 7 | 2.93 | 0.35 |
| Loans | 8 | - | 1.50 |
| Other current assets | 9 | 18.36 | 18.25 |
| Total current assets | | 29.34 | 34.02 |
| Total assets | | 31.33 | 36.51 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 10 | 200.00 | 200.00 |
| Other equity | 11 | (169.57) | (168.32) |
| Total equity | | 30.43 | 31.68 |
| Non-current liabilities | | | |
| Deferred tax liabilities (net) | 12 | - | - |
| Total non-current liabilities | | - | - |
| Current liabilities | | | |
| Financial liabilities | | | |
| Trade payables | 13 | - | - |
| (a) Total outstanding dues of micro enterprises and small enterprises | | - | - |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 0.48 | 2.93 |
| Other financial liabilities | 14 | 0.42 | 1.85 |
| Other current liabilities | 15 | - | 0.05 |
| Total current liabilities | | 0.90 | 4.83 |
| Total liabilities | | 0.90 | 4.83 |
| Total equity and liabilities | | 31.33 | 36.51 |
| Summary of significant accounting policies | 2 | | |

The accompanying notes are integral part of the financial statements.

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

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013


Sandeep Mehta

Partner
Membership No. 099410



Place: Chandigarh
Date: 29 May 2020

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: 29 May 2020

Place: Gurugram
Date: 29 May 2020

Appserve Appliance Private Limited
Statement of Profit and Loss for the year ended 31 March 2020
(All amount in Rupees lakh unless otherwise stated)

| | Notes | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------|-------------------------------------|-------------------------------------|
| Revenue | | | |
| Revenue from operations | 16 | - | 85.00 |
| Other income | 17 | 0.01 | 0.60 |
| Total income | | 0.01 | 85.60 |
| Expenses | | | |
| Cost of materials consumed | 18 | - | 57.32 |
| Employee benefits expense | 19 | - | 31.33 |
| Depreciation and amortisation expense | 20 | 0.50 | 2.22 |
| Other expenses | 21 | 0.76 | 109.98 |
| Total expenses | | 1.26 | 200.85 |
| Profit before tax | | (1.25) | (115.25) |
| Tax expense | | | |
| Current tax | | - | - |
| Deferred tax | | - | - |
| Net loss for the year | | (1.25) | (115.25) |
| Other comprehensive loss | | | |
| Items that will not be reclassified to profit or loss | | - | - |
| Other comprehensive income for the year | | - | - |
| Total comprehensive income for the year | | (1.25) | (115.25) |
| Earning per equity share | | | |
| (Nominal value of equity share Rs 10 each) | 22 | | |
| Basic | | (0.06) | (6.42) |
| Diluted | | (0.06) | (6.42) |

Summary of significant accounting policies

2

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 Chandiok & Co LLP

Chartered Accountants

Firm's Registration No. 001076N/N500013




Sandeep Mehta
Partner
Membership No. 099410



Place: Chandigarh
Date: 29 May 2020

For and on behalf of Board of Directors of

Appserve Appliance Private Limited



Daljit Singh
Director
(DIN: 02023964)

Place: Gurugram
Date: 29 May 2020



Jasbir Singh
Director
(DIN: 00259632)

Place: Gurugram
Date: 29 May 2020

Appserve Appliance Private Limited
Cash flow statement for the year ended 31 March 2020
(All amount in Rupees lakh unless otherwise stated)

| | | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|----------|-------------------------------------|-------------------------------------|
| A. Cash flows from operating activities | | | |
| Loss before tax | | (1.25) | (115.25) |
| Adjustment for: | | | |
| Depreciation and amortisation | | 0.50 | 2.22 |
| Loss on sale of fixed assets | | - | 6.36 |
| Property, plant and equipment written off | | - | 5.07 |
| Bad debts | | 0.01 | - |
| Advances written off | | - | 0.07 |
| Interest income | | - | (0.51) |
| Operating profit before working capital changes | | (0.74) | (102.04) |
| Movements in working capital: | | | |
| Trade receivables | | 5.85 | (9.36) |
| Inventories | | - | 10.14 |
| Financial and other assets | | 1.40 | 1.20 |
| Trade payables | | (2.44) | (44.29) |
| Provisions | | - | (0.35) |
| Financial and other liabilities | | (1.49) | (10.88) |
| Cash generated from operations | | 2.58 | (155.58) |
| Income tax (net) | | - | - |
| Net cash generated/(used in) operating activities | A | 2.58 | (155.58) |
| B. Cash flows from investing activities | | | |
| Purchase of property, plant and equipment and intangibles | | - | 11.83 |
| Movement in bank deposits | | - | 67.27 |
| Interest received from bank deposits | | - | 0.51 |
| Net cash generated from investing activities | B | - | 79.61 |
| C. Cash flows from financing activities: | | | |
| Proceeds from issuance of Equity share capital | | - | 50.00 |
| Net cash generated from financing activities | C | - | 50.00 |
| D Net increase/(decrease) in cash and cash equivalent (A+B+C) | | 2.58 | (25.97) |
| E Cash and cash equivalent at the beginning of the year | | 0.35 | 26.32 |
| Cash and cash equivalent at the end of the year (D+E) {refer note 7} | | 2.93 | 0.35 |

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Notes to cash flow statement | | |
| a. Cash and cash equivalents include: | | |
| Balances with banks: | | |
| - in current and cash credit accounts | 2.93 | 0.35 |
| - deposits with original maturity less than three months | - | - |
| Cash in hand | - | - |
| Cash and bank balances | 2.93 | 0.35 |

b. The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS-7) on "Statements of Cash Flows".

c. Negative figures have been shown in brackets.

Accompanying notes form an integral part of these financial statements.

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

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013



Sandeep Mehta
Partner
Membership No. 099410

Place: Chandigarh
Date: 29 May 2020



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



Daljit Singh
Director
(DIN: 02023964)

Place: Gurugram
Date: 29 May 2020



Jasbir Singh
Director
(DIN: 00259632)

Place: Gurugram
Date: 29 May 2020

Appserve Appliance Private Limited
 Statement of changes in equity for the year ended 31 March 2020
 (All amount in Rupees lakh unless otherwise stated)

A Equity share capital

| | Amount |
|---|--------|
| Balance as at 01 April 2018 | 150.00 |
| Changes in equity share capital during the year | 50.00 |
| Balance as at 31 March 2019 | 200.00 |
| Changes in equity share capital during the year | - |
| Balance as at 31 March 2020 | 200.00 |

B Other equity

| Particulars | Retained earnings | Total |
|-----------------------------------|-------------------|----------|
| Balance as at 01 April 2018 | (53.07) | (53.07) |
| Loss for the year | (115.25) | (115.25) |
| Other comprehensive income/(loss) | - | - |
| Balance as at 31 March 2019 | (168.32) | (168.32) |
| Loss for the year | (1.25) | (1.25) |
| Other comprehensive income/(loss) | - | - |
| Balance as at 31 March 2020 | (169.57) | (169.57) |

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 Chandiok & Co LLP
 Chartered Accountants
 Firm's Registration No. 001076N/N500013



Sandeep Mehta
 Partner
 Membership No. 099410



Place: Chandigarh
 Date: 29 May 2020

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



Daljit Singh
 Director
 (DIN: 02023964)

Place: Gurugram
 Date: 29 May 2020



Jasbir Singh
 Director
 (DIN: 00259632)

Place: Gurugram
 Date: 29 May 2020

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.

These standalone financial statements ("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"), as amended and other relevant provisions of the Act.

The financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors on 29 May 2020. The revisions to the financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

2. Basis of preparation and significant accounting policies

a. Basis of preparation

As of 31 March 2020, the Company has significant accumulated losses. During the year 2018-19, all tangible fixed assets of the Company had been scrapped/disposed off. While the Company has enough resources to meet its working capital needs and repay its liabilities over the course of next fiscal year, the Management intends to liquidate the Company in near future. Accordingly, the going concern assumption is no longer considered appropriate and therefore, assets have been stated at their estimated net realizable value and liabilities as at 31 March 2020, have been stated at the amount at which they are expected to be discharged.

The accounting policies are applied consistently to all the periods presented in the financial statements.

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

Sale of goods and services

Revenue arises from the sale of goods and services. To determine whether to recognise revenue, the Company follows a 5-step process:

- (i) Identifying the contract with a customer
- (ii) Identifying the performance obligations
- (iii) Determining the transaction price
- (iv) Allocating the transaction price to the performance obligations
- (v) Recognising revenue when/as performance obligation(s) are satisfied.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected



on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both. Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers. A receivable is recognised when the goods are delivered as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Interest income

Interest income is recognized 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:

- Raw materials: 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.
- Finished goods and intermediate products: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on first in, first out basis.
- Stores and spares, consumables and packing materials cost includes direct expenses and is determined on the basis of first in first out method.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the 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. 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.



Appserve Appliance Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

- 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.

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.

g. 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.

h. 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 de-recognised 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 de-recognised.

i. 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 |

j. 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.

k. Right of use assets and lease liabilities

For any new contracts entered into on or after 01 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Classification of leases

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

l. 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.

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.

m. 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.

n. 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.



o. 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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2020.

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:

Estimation of uncertainties relating to the global health pandemic from Covid-19 (Covid-19):

The Company has considered the possible effects that may result from the pandemic relating to Covid-19 on the carrying amounts of receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. Based on current estimates expects the carrying amount of these assets will be recovered. The impact of Covid-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

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. The recognition of deferred tax assets and reversal thereof is also dependent upon management decision relating to timing of availment of tax holiday benefits available under the Income Tax Act, 1961 which in turn is based on estimates of future taxable profits.

(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



Appserve Appliance Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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. The Company has also taken into account estimates of possible effect from the pandemic relating to Covid-19.



4. Property, plant and equipment

| Description | Building | Plant and machinery | Computers | Furniture and fixture | Office and other equipment | Total |
|---------------------------------|----------|---------------------|-----------|-----------------------|----------------------------|---------|
| Gross block | | | | | | |
| As at 01 April 2018 | 1.55 | 16.28 | 2.50 | 4.20 | 0.70 | 25.23 |
| Additions | 0.32 | 2.98 | 1.31 | 0.77 | 0.62 | 6.00 |
| Disposals | (1.87) | (19.26) | (3.81) | (4.97) | (1.32) | (31.23) |
| As at 31 March 2019 | - | - | - | - | - | - |
| Additions | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - |
| As at 31 March 2020 | - | - | - | - | - | - |
| Accumulated depreciation | | | | | | |
| As at 01 April 2018 | 0.01 | 0.07 | 0.13 | 0.02 | 0.02 | 0.25 |
| Charge for the year | 0.03 | 0.66 | 0.65 | 0.24 | 0.13 | 1.71 |
| Adjustment for disposals | (0.04) | (0.73) | (0.78) | (0.26) | (0.15) | (1.96) |
| As at 31 March 2019 | - | - | - | - | - | - |
| Charge for the year | - | - | - | - | - | - |
| Adjustment for disposals | - | - | - | - | - | - |
| As at 31 March 2020 | - | - | - | - | - | - |
| Net block as at 31 March 2019 | - | - | - | - | - | - |
| Net block as at 31 March 2020 | - | - | - | - | - | - |

5. Intangible assets

| | Patent and trade mark | Softwares | Total intangible assets |
|----------------------------------|-----------------------|-----------|-------------------------|
| Gross block | | | |
| Balance as at 01 April 2018 | 1.00 | 2.00 | 3.00 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Balance as at 31 March 2019 | 1.00 | 2.00 | 3.00 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Balance as at 31 March 2020 | 1.00 | 2.00 | 3.00 |
| Accumulated amortisation | | | |
| Balance as at 01 April 2018 | 0.01 | - | 0.01 |
| Amortisation charge for the year | 0.17 | 0.33 | 0.50 |
| Disposals | - | - | - |
| Balance as at 31 March 2019 | 0.18 | 0.33 | 0.51 |
| Amortisation charge for the year | 0.17 | 0.33 | 0.50 |
| Disposals | - | - | - |
| Balance as at 31 March 2020 | 0.35 | 0.66 | 1.01 |
| Net block as at 31 March 2019 | 0.82 | 1.67 | 2.49 |
| Net block as at 31 March 2020 | 0.65 | 1.34 | 1.99 |



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Appserve Appliance Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in Rupees lakh unless otherwise stated)

| | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| 6 Trade receivables* | | |
| Others | | |
| Unsecured, considered good (refer note 23) | 8.05 | 13.92 |
| | <u>8.05</u> | <u>13.92</u> |
| * The carrying values are considered to be a reasonable approximation of fair value. | | |
| 7 Cash and cash equivalents | | |
| Cash in hand | - | - |
| Balances with banks: | | |
| - in current and cash credit accounts | 2.93 | 0.35 |
| - in deposit accounts- original maturity upto 3 months | - | - |
| | <u>2.93</u> | <u>0.35</u> |
| 8 Loans | | |
| Current | | |
| Unsecured, considered good | | |
| Security deposits* | - | 0.50 |
| Loans and advances to employees | - | 1.00 |
| | <u>-</u> | <u>1.50</u> |
| * The carrying values are considered to be a reasonable approximation of fair value. | | |
| 9 Other current assets | | |
| Balances with statutory and government authorities | 18.36 | 18.25 |
| | <u>18.36</u> | <u>18.25</u> |



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Appserve Appliance Private Limited
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
 (All amount in Rupees lakh unless otherwise stated)

| | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| 10 Equity share capital | | |
| Authorised capital | | |
| 20,00,000 Equity shares (31 March 2019: 20,00,000 Equity shares) of Rs 10 each | 200.00 | 200.00 |
| | <u>200.00</u> | <u>200.00</u> |
| Issued, subscribed capital and fully paid up | | |
| 20,00,000 Equity shares (31 March 2019: 20,00,000 Equity shares) of Rs 10 each | 200.00 | 200.00 |
| | <u>200.00</u> | <u>200.00</u> |

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 2020 | | 31 March 2019 | |
|--|------------------|---------------|------------------|---------------|
| | No. of shares | (Rs lakh) | No. of shares | (Rs lakh) |
| Equity share capital of Rs. 10 each fully paid up | | | | |
| Balance at the beginning of the year | 20,00,000 | 200.00 | 15,00,000 | 150.00 |
| Add: Shares issued during the year | - | - | 5,00,000 | 50.00 |
| Balance at the end of the year | <u>20,00,000</u> | <u>200.00</u> | <u>20,00,000</u> | <u>200.00</u> |

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

| | As on 31 March 2020 | | As on 31 March 2019 | |
|---------------------------------|---------------------|-----------|---------------------|-----------|
| | No. of shares | % holding | No. of shares | % holding |
| Amber Enterprises India Limited | 20,00,000 | 100% | 20,00,000 | 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 2020 | | As on 31 March 2019 | |
|---------------------------------|---------------------|-----------|---------------------|-----------|
| | No. of shares | % holding | No. of shares | % holding |
| Amber Enterprises India Limited | 20,00,000 | 100% | 20,00,000 | 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 year.

11 Other equity

Retained earnings

| | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Balance at the beginning of the year | (168.32) | (53.07) |
| Add: Transferred from statement of profit and loss | (1.25) | (115.25) |
| Balance at the end of the year | <u>(169.57)</u> | <u>(168.32)</u> |



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| | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| 12 Deferred tax liabilities (net) | | |
| Tax effect of items constituting deferred tax liabilities | | |
| Property, plant and equipment and intangibles | - | 0.17 |
| Total deferred tax liabilities | - | 0.17 |
| Tax effect of items constituting deferred tax assets: | | |
| Employees benefit expenses | - | 0.07 |
| Allowance under Section 35D - Preliminary expenses | - | 0.10 |
| Deferred tax assets | - | 0.17 |
| Deferred tax liabilities/ (assets) (net) | - | - |

Notes:

(i) Movement in deferred tax assets/(liabilities) for year ended 31 March 2019:

| Particulars | 01 April 2018 | Recognised in other comprehensive income | Recognised statement of profit and loss | 31 March 2019 |
|--|---------------|---|---|---------------|
| Tax effect of items constituting deferred tax liabilities | | | | |
| Property, plant and equipment and intangibles | 0.60 | - | (0.43) | 0.17 |
| Total deferred tax liabilities | 0.60 | - | (0.43) | 0.17 |
| Tax effect of items constituting deferred tax assets: | | | | |
| Employees benefit expenses | 0.12 | - | (0.05) | 0.07 |
| Allowance under Section 35D - Preliminary expenses | 0.48 | - | (0.38) | 0.10 |
| Total deferred tax assets | 0.60 | - | (0.43) | 0.17 |
| Deferred tax liabilities/ (assets) (net) | - | - | - | - |

(ii) Tax losses and unabsorbed depreciation

- Unused tax losses:

| | | |
|---|--------|--------|
| Unused tax losses for which no deferred tax asset has been recognised | 156.09 | 154.74 |
| Potential tax benefit @ 25.17% (31 March 2019 : 31.20%) | 39.28 | 48.28 |

Unused business loss can be carried forward based on the year of origination as follows:

| Financial year origination | Financial year of expiry | Amount | Amount |
|----------------------------|--------------------------|---------------|---------------|
| 2017-18 | 2025-26 | 52.32 | 52.32 |
| 2018-19 | 2026-27 | 102.42 | 102.42 |
| 2019-20 | 2027-28 | 1.35 | - |
| | | 156.09 | 154.74 |

- Unused short term capital losses:

| | | |
|---|------|---|
| Unused tax losses for which no deferred tax asset has been recognised | 5.88 | - |
| Potential tax benefit @ 25.17% (31 March 2019 : 31.20%) | - | - |

Unused short term capital loss can be carried forward based on the year of origination as follows:

| Financial year origination | Financial year of expiry | Amount | Amount |
|----------------------------|--------------------------|-------------|----------|
| 2017-18 | 2025-26 | - | - |
| 2018-19 | 2026-27 | 5.88 | - |
| | | 5.88 | - |

- Unabsorbed depreciation:

| | | |
|---|------|------|
| Unused tax losses for which no deferred tax asset has been recognised | 4.24 | 3.60 |
| Potential tax benefit @ 25.17% (31 March 2019 : 31.20%) | 1.07 | 1.12 |

| Financial year | Amount | Amount |
|----------------|-------------|-------------|
| 2017-18 | 2.59 | 2.59 |
| 2018-19 | 1.01 | 1.01 |
| 2019-20 | 0.64 | - |
| | 4.24 | 3.60 |

Unabsorbed depreciation can be carried forward indefinitely.



Appserve Appliance Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in Rupees lakh unless otherwise stated)

| | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| 13 Trade payables | | |
| Dues of micro enterprises and small enterprises [refer note (a) below] | - | - |
| Dues of creditors other than micro enterprises and small enterprises | 0.48 | 2.93 |
| | 0.48 | 2.93 |

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 factors including but not limited to MSMED certificate obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006), certificate from Chartered Accountant regarding gross investment in Plant & Machinery as on 31 March 2020, latest Audited Balance Sheet and based on the information available with the Company, the following are the details:

| | | | |
|---|-----|-----|-----|
| Principal amount remaining unpaid | Nil | Nil | Nil |
| Interest accrued and due thereon remaining unpaid | Nil | Nil | 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 year | Nil | Nil | Nil |
| Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year), but without adding the interest specified under MSMED Act, 2006. | Nil | Nil | Nil |
| Interest accrued and remaining unpaid as at the end of the year | Nil | Nil | 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 | Nil | Nil |

14 Other financial liabilities

| | | |
|-----------------------------------|-------------|-------------|
| Creditors for capital expenditure | 0.11 | 0.54 |
| Employee related payables | 0.31 | 1.31 |
| | 0.42 | 1.85 |

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

15 Other current liabilities

| | | |
|----------------|----------|-------------|
| Statutory dues | - | 0.05 |
| | - | 0.05 |



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Appserve Appliance Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in Rupees lakh unless otherwise stated)

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| 16 Revenue from operations | | |
| Operating revenue | | |
| Sale of products | - | 48.56 |
| Sale of services | - | 36.44 |
| | - | 85.00 |
| 17 Other income | | |
| Interest on bank deposits | - | 0.51 |
| Miscellaneous income | 0.01 | 0.09 |
| | 0.01 | 0.60 |
| 18 Cost of materials consumed | | |
| Opening stock | - | 10.14 |
| Add: Purchases made during the year | - | 47.18 |
| | - | 57.32 |
| Less: Closing stock | - | - |
| | - | 57.32 |
| 19 Employee benefits expense | | |
| Salary, wages and bonus | - | 29.12 |
| Contribution to provident and other funds | - | 0.62 |
| Staff welfare expenses | - | 1.59 |
| | - | 31.33 |
| For disclosures related to provision for employee benefits, refer note 26- Employee benefit obligations | | |
| 20 Depreciation and amortisation expense | | |
| Depreciation on property, plant and equipments (refer note 4) | - | 1.72 |
| Amortisation of intangible assets (refer note 5) | 0.50 | 0.50 |
| | 0.50 | 2.22 |
| 21 Other expenses | | |
| Power, fuel and water charges | - | 0.94 |
| Contractual labour charges | - | 76.83 |
| Freight inward and octroi charges | - | 0.23 |
| Legal and professional fees [refer note (a) below] | 0.70 | 4.33 |
| Travelling and conveyance | - | 3.76 |
| Repairs and maintenance | | |
| - Others | - | 0.38 |
| Rent, expense | - | 7.96 |
| Rates and taxes | - | 0.27 |
| Postage, telephone and telex | - | 0.23 |
| Vehicle running expenses | - | 2.20 |
| Printing and stationary | - | 0.58 |
| Bad debts | 0.01 | - |
| Office Expenses | - | 0.28 |
| Loss on sale of fixed assets | - | 6.36 |
| Property, plant and equipment written off | - | 5.07 |
| Advances written off | - | 0.07 |
| Donation | - | 0.04 |
| Miscellaneous expenses | 0.05 | 0.47 |
| | 0.76 | 109.98 |
| a) Payments to the auditor | | |
| For statutory audit and limited review | 0.30 | 3.25 |
| Reimbursement of expenses | - | 0.24 |
| Total | 0.30 | 3.49 |



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Appserve Appliance Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in Rupees lakh unless otherwise stated)

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|--|
| 22 Earnings per share | | |
| Net profit/ (loss) attributable to equity shareholders | (1.25) | (115.25) |
| Weighted average number of equity shares in calculating basic and diluted earnings per share | 20,00,000 | 17,93,836 |
| Basic and diluted earnings/(loss) per share | (0.06) | (6.42) |
| Nominal value per equity shares (Rs.) | 10.00 | 10.00 |

23 Related party disclosures *

A. Relationship with related parties

I. Holding Company

Amber Enterprises India Limited

II. Entities over which significant influence is exercised by the company /key management personnel (either individually or with others)

IL JIN Electronics (India) Private Limited
PICL (India) Private Limited

III. Key management personnel (KMP)

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

The following balances were outstanding with related parties as at 31 March 2020

| S No. | Particulars | Holding Company | Entities over which significant influence is exercised | Key management personnel |
|-------|---------------------------------|-----------------|--|--------------------------|
| | Balances at year end | | | |
| | Trade receivables | | | |
| | Amber Enterprises India Limited | 3.59 | - | - |

* Disclosures have been given of those related parties with whom the company have made transactions.



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23 Related party disclosures (continued)

The following transactions were carried out with related parties in the ordinary course of business for the year ended 31 March 2019

| S No. | Particulars | Holding Company | Entities over which significant influence is exercised | Key management personnel |
|-------|--|-----------------|--|--------------------------|
| (A) | Transactions made during the year: | | | |
| 1 | Service provided | | | |
| | Amber Enterprises India Limited | 0.46 | - | - |
| | IL JIN Electronics (India) Private Limited | - | 0.01 | - |
| | PICL (India) Private Limited | - | 0.26 | - |
| 2 | Sale of goods | | | |
| | Amber Enterprises India Limited | 10.33 | - | - |
| | IL JIN Electronics (India) Private Limited | - | 0.13 | - |
| 3 | Purchase of property, plant and equipment | | | |
| | Amber Enterprises India Limited | 0.25 | - | - |
| 4 | Sale of property, plant and equipment | | | |
| | Amber Enterprises India Limited | 14.74 | - | - |
| | IL JIN Electronics (India) Private Limited | - | 1.26 | - |
| (B) | Balances at year end | | | |
| | Trade receivables | | | |
| | Amber Enterprises India Limited | 6.59 | - | - |



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Appserve Appliance Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in Rupees lakh unless otherwise stated)

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| 24 Tax expense | | |
| Current tax (including taxes earlier years) | - | - |
| 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 25.17% and 31.20% for the year ended 31st March 2020 and 2019 respectively, and the reported tax expense in profit or loss are as follows:

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Profit/ (loss) before tax | (1.25) | (115.25) |
| Income tax using the Company's domestic tax rate * | 25.17% | 31.20% |
| Expected tax expense [A] | (0.32) | (35.96) |
| Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense | | |
| Non-deductible expenses/non-taxable income | 0.01 | - |
| Current unabsorbed depreciation and losses for which no deferred tax asset is recognised | - | 35.96 |
| Others | 0.31 | - |
| Total adjustments [B] | 0.32 | 35.96 |
| Actual tax expense [C=A+B] | - | - |

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

| | | |
|----------------------|--------|--------|
| Base tax rate | 22% | 30% |
| Surcharge (% of tax) | 10% | 0% |
| Cess (% of tax) | 4% | 4% |
| Applicable rate | 25.17% | 31.20% |



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Appserve Appliance Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in Rupees lakh unless otherwise stated)

25 Leases

- A. The Company does not have any lease liabilities in the statement of financial position.
- B. There was no amounts recognised in profit or loss for the year ended 31 March 2020.
- C. The Company has no commitment for short-term leases as at 31 March 2020.
- D. Total cash outflow for leases for the year ended 31 March 2020 was Nil.

E. Operating leases as lessor

The Company does not lease out any properties under operating leases.

F. Disclosures under Ind AS 17 for the year ended 31 March 2019:

The Company is a lessee under various cancellable operating leases. Rental expense for operating leases for the year ended 31 March 2019 was Rs.7.96 lakh.

G. Adoption of Ind AS 116 'Leases'

- 1 Ind AS 116 'Leases' replaces Ind AS 17 'Leases' along with three Interpretations (Appendix A 'Operating Leases-Incentives', Appendix B 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease' and Appendix C 'Determining whether an Arrangement contains a Lease').
- 2 The adoption of this new Standard results in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.
- 3 The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting Ind AS 116 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.
- 4 For contracts in place at the date of initial application, the Company has elected to apply the definition of a lease from Ind AS 17 and Appendix C and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17 and Appendix C.
- 5 The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 01 April 2019. At this date, the Company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.
- 6 The Company had no Property, plant and equipment in its financial statements (as disclosed in the financial statements to 31 March 2019), hence reconciliation of financial statement line items from Ind AS 17 to Ind AS 116 at 01 April 2019 is not required.
- 7 The Company had no operating lease commitments as at 31 March 2019 (as disclosed in the financial statements to 31 March 2019), hence reconciliation of total operating lease commitments at 31 March 2019 to the lease liabilities recognised at 01 April 2019 is not required.



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26 Employee benefit obligations

| Particulars | 31 March 2020 | | 31 March 2019 | |
|------------------|---------------|-------------|---------------|-------------|
| | Current | Non-current | Current | Non-current |
| Gratuity | - | - | - | - |
| Leave encashment | - | - | - | - |
| Total | - | - | - | - |

A Disclosure of gratuity

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

| Description | 31 March 2020 | 31 March 2019 |
|--|---------------|---------------|
| 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 2020 | 31 March 2019 |
|---|---------------|---------------|
| Present value of defined benefit obligation as at the beginning of the year | - | 0.16 |
| Current service cost | - | (0.16) |
| Interest cost | - | - |
| Benefits paid | - | - |
| Actuarial loss | - | - |
| Present value of defined benefit obligation as at the end of the year | - | - |

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

| Description | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| Present value of funded obligation as at the end of the year | - | - |
| Fair value of plan assets as at the end of the year funded status | - | - |
| Unfunded net liability recognised in balance sheet | - | - |

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

| Description | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| 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 2020 | 31 March 2019 |
|---|---------------|---------------|
| Discount rate | - | - |
| Rate of increase in compensation levels | - | - |
| Expected rate of return on plan assets | - | - |
| Retirement age | - | - |

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
 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 2020 | 31 March 2019 |
|--|---------------|---------------|
| Impact of change in discount rate | | |
| Present value of obligation at the end of the year | - | - |
| - Impact due to increase of 1.00 % | - | - |
| - Impact due to decrease of 1.00 % | - | - |
| Impact of change in salary increase | | |
| Present value of obligation at the end of the year | - | - |
| - Impact due to increase of 1.00 % | - | - |
| - Impact due to decrease of 1.00 % | - | - |

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 2020 | 31 March 2019 |
|-----------------------|---------------|---------------|
| Within next 12 months | - | - |
| Between 1-5 years | - | - |
| Beyond 5 years | - | - |

(viii) The expected contribution to the plan for next annual reporting year amounts to Nil (31 March 2019: Nil).

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27 Fair Value Disclosures

i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are divided 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.

28 Financial risk management

i) Financial instruments by category

| Particulars | 31 March 2020 | | | 31 March 2019 | | |
|------------------------------|---------------|-------|----------------|---------------|-------|----------------|
| | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI | Amortised cost |
| Financial assets | | | | | | |
| Trade receivables | - | - | 8.05 | - | - | 13.92 |
| Cash and cash equivalents | - | - | 2.93 | - | - | 0.35 |
| Other bank balances | - | - | - | - | - | - |
| Loans | - | - | - | - | - | 1.50 |
| Other financial assets | - | - | - | - | - | - |
| Total | - | - | 10.98 | - | - | 15.77 |
| Financial liabilities | | | | | | |
| Trade payable | - | - | 0.48 | - | - | 2.93 |
| Other financial liabilities | - | - | 0.42 | - | - | 1.85 |
| Total | - | - | 0.90 | - | - | 4.78 |

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 year ended 31 March 2020
 (All amount in Rupees lakh 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 either
 A: Low
 B: Medium
 C: High

Assets under credit risk –

| Credit rating | Particulars | 31 March 2020 | 31 March 2019 |
|---------------|---------------------------|---------------|---------------|
| A: Low | Cash and cash equivalents | 2.93 | 0.35 |
| | Other bank balances | - | - |
| | Loans | - | 1.50 |
| | Other financial assets | - | - |
| | Trade receivables | 8.05 | 13.92 |

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 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 2020 | Less than 1 year | 1-3 year | 3-5 year | More than 5 years | Total |
|-----------------------------|------------------|----------|----------|-------------------|-------|
| Trade payable | 0.48 | - | - | - | 0.48 |
| Other financial liabilities | 0.42 | - | - | - | 0.42 |
| Total | 0.90 | - | - | - | 0.90 |

| 31 March 2019 | Less than 1 year | 1-3 year | 3-5 year | More than 5 years | Total |
|-----------------------------|------------------|----------|----------|-------------------|-------|
| Trade payable | 2.93 | - | - | - | 2.93 |
| Other financial liabilities | 1.85 | - | - | - | 1.85 |
| Total | 4.78 | - | - | - | 4.78 |

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.

29 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.

30 Contingent liabilities and commitments

Claims against company not acknowledged as debt
 Guarantees
 Commitments

| As at | As at | 31 |
|---------------|------------|----|
| 31 March 2020 | March 2019 | |
| Nil | Nil | |
| Nil | Nil | |
| Nil | Nil | |

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Appserve Appliance Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in Rupees lakh unless otherwise stated)

31 Revenue from contracts with customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

The Company had adopted the standard on 1 April 2018 using modified retrospective approach with a cumulative catch-up adjustment made in retained earnings at the beginning of the previous financial year, i.e., 1 April 2018 as if the standard had always been in effect. The standard was applied only to contracts that were not completed as at 1 April 2018. Comparative information had not been restated and had been reported under the accounting standards in effect for those periods. The adoption of the new standard did not result in any adjustments to the Company's revenue or net income.

Disaggregation of revenue:

| Description | Amount |
|--------------------|--------|
| Revenue from: | |
| - Sale of products | - |
| - Sale of services | - |
| | - |



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Appserve Appliance Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amount in Rupees lakh unless otherwise stated)

- 32 The Company is engaged in the business of repair, maintenance, installation, assembly and routine servicing activities of all kinds of consumer durable products and its 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
Firm's Registration No. 001076N/N500013



Sandeep Mehta
Partner
Membership No. 099410



Place: Chandigarh
Date: 29 May 2020

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



Daljit Singh
Director
(DIN: 02023964)

Place: Gurugram
Date: 29 May 2020



Jasbir Singh
Director
(DIN: 00259632)

Place: Gurugram
Date: 29 May 2020