

# Walker Chandiook & Co LLP

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## Independent Auditor's Report

To the Members of Sidwal Refrigeration Industries Private Limited

## Report on the Audit of the Financial Statements

### Opinion

1. We have audited the accompanying financial statements of Sidwal Refrigeration Industries Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, 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 2021, its profit (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 obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter – COVID-19

4. We draw attention to Note 53(ii)(D) to the accompanying Financial Statements, which describes the effects of uncertainties relating to the outbreak of COVID - 19 pandemic and management's evaluation of the impact on the Company's operations and the accompanying Financial Statements of the Company as at the balance sheet date, the extent of which is significantly dependent on future developments.

Our opinion is not modified/qualified in respect of this matter.

### 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.



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 on the Financial Statements of Sidwal Refrigeration Industries Private Limited for the year ended 31 March 2021 (contd.)

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 and Those Charged with Governance 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.
8. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

9. 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.
10. 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, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;



## Independent Auditor's Report on the Financial Statements of Sidwal Refrigeration Industries Private Limited for the year ended 31 March 2021 (contd.)

- 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; and
  - 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.
11. 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

12. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
13. 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.
14. 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) 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 2021 from being appointed as a director in terms of section 164(2) of the Act;



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## Independent Auditor's Report on the Financial Statements of Sidwal Refrigeration Industries Private Limited for the year ended 31 March 2021 (contd.)

- f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 21 May 2021 as per Annexure II expressed unmodified opinion; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company, as detailed in note 39 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;
  - 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 2021; and
  - 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 2021.

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



**Sandeep Mehta**  
Membership No.: 099410  
UDIN: 21099410AAAACD9383



**Place:** Chandigarh  
**Date:** 21 May 2021

# Walker Chandniok & Co LLP

## Annexure I to the Independent Auditor's Report of even date to the members of Sidwal Refrigeration Industries Private Limited, on the financial statements for the year ended 31 March 2021

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.
  - (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
  - (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. 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 became payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, goods and services tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.



# Walker Chandiook & Co LLP

Annexure I to the Independent Auditor's Report of even date to the members of Sidwal Refrigeration Industries Private Limited on the financial statements for the year ended 31 March 2021

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company has no loans or borrowings payable to government and no dues payable to debenture-holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (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) Managerial remuneration has been paid and provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the 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: 21099410AAAACD9383  
Place: Chandigarh  
Date: 21 May 2021

Annexure II to the Independent Auditor's Report of even date to the members of Sidwal Refrigeration Industries Private Limited on the financial statements for the year ended 31 March 2021

## 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 Sidwal Refrigeration Industries Private Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

### Responsibilities of Management and Those Charged with Governance 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 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.

### 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



# Walker Chandiook & Co LLP

## Annexure II to the Independent Auditor's Report of even date to the members of Sidwal Refrigeration Industries Private Limited on the financial statements for the year ended 31 March 2021

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 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

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



**Sandeep Mehta**  
Membership No.: 099410

UDIN: 21099410AAAACD9383

Place: Chandigarh  
Date: 21 May 2021



**Sidwal Refrigeration Industries Private Limited**  
**Balance Sheet as at 31 March 2021**  
**(All amounts in INR in lakh unless otherwise stated)**

	Notes	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	2,219.10	1,266.31
Goodwill	5	3,382.86	3,382.86
Other intangible assets	5	741.86	792.02
<b>Financial assets</b>			
Loans	6	258.94	80.91
Other financial assets	7	185.81	166.43
Deferred tax assets (net)	8	11.53	-
Non-current tax assets (net)	9	231.39	324.39
Other non-current assets	10	54.21	14.79
<b>Total non-current assets</b>		<b>7,085.70</b>	<b>6,027.71</b>
<b>Current assets</b>			
Inventories	11	2,981.29	2,631.92
<b>Financial assets</b>			
Trade receivables	12	8,834.72	4,730.82
Cash and cash equivalents	13	34.61	401.59
Other bank balances	14	944.30	617.69
Loans	15	346.20	618.83
Other financial assets	16	651.25	1,537.62
Other current assets	17	293.22	324.88
<b>Total current assets</b>		<b>14,085.59</b>	<b>10,863.35</b>
Assets held for sale	18	47.60	47.60
<b>Total assets</b>		<b>21,218.89</b>	<b>16,938.66</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	19	450.00	450.00
Other equity	20	15,045.17	11,437.90
<b>Total equity</b>		<b>15,495.17</b>	<b>11,887.90</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	21	26.51	49.27
Lease liabilities	22	109.55	128.83
Provisions	23	507.58	467.68
Deferred tax liabilities (net)	8A	-	10.17
<b>Total non-current liabilities</b>		<b>643.64</b>	<b>655.95</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	24	457.37	950.00
Trade payables	25		
(a) Total outstanding dues of micro enterprises and small enterprises		1.25	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,383.41	1,951.00
Lease liabilities	22	29.51	27.87
Other financial liabilities	26	715.79	555.24
Other current liabilities	27	874.98	695.08
Provisions	28	98.09	80.67
Current tax liabilities (net)	29	519.68	134.95
<b>Total current liabilities</b>		<b>5,080.08</b>	<b>4,394.81</b>
<b>Total liabilities</b>		<b>5,723.72</b>	<b>5,050.76</b>
<b>Total equity and liabilities</b>		<b>21,218.89</b>	<b>16,938.66</b>

**Summary of Significant accounting policies**

**The accompanying notes form an integral part of the financial statements.**

This is the Balance Sheet referred to in our report of even date.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
(Firm Registration No. 001076N/N500013)

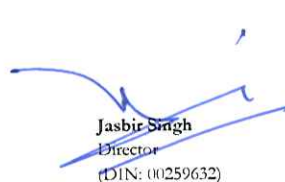


**Sandeep Mehta**  
Partner  
(Membership No. 099410)



Place: Chandigarh  
Date: 21 May 2021

For and on behalf of Board of Directors of  
**Sidwal Refrigeration Industries Private Limited**



**Jasbir Singh**  
Director  
(DIN: 00259632)



**Daljit Singh**  
Director  
(DIN No.: 02023964)

Place: Gurugram  
Date: 21 May 2021

Place: Gurugram  
Date: 21 May 2021

Sidwal Refrigeration Industries Private Limited  
Statement of Profit and Loss for the year ended 31 March 2021  
(All amounts in INR in lakh unless otherwise stated)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Income</b>			
Revenue from operations	30	20,056.22	23,900.81
Other income	31	300.99	121.96
<b>Total income</b>		<b>20,357.21</b>	<b>24,022.77</b>
<b>Expenses</b>			
Cost of materials consumed	32	10,260.36	12,463.66
Purchase of stock in trade		-	156.91
Changes in inventories of finished goods and work-in-progress	33	138.65	402.17
Employee benefits expense	34	2,943.04	3,030.45
Finance costs	35	80.03	253.50
Depreciation and amortisation expense	36	243.56	172.56
Other expenses	37	1,924.24	2,447.90
<b>Total expenses</b>		<b>15,589.88</b>	<b>18,927.15</b>
<b>Profit before tax</b>		<b>4,767.33</b>	<b>5,095.62</b>
<b>Tax expense</b>			
Current tax		1,239.35	1,378.23
Deferred tax		(36.20)	250.28
<b>Net profit for the year</b>		<b>3,564.18</b>	<b>3,467.11</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss			
Re-measurement gain/(loss) on defined benefit obligations		57.58	(58.89)
Income tax relating to these items		(14.49)	13.90
<b>Other comprehensive gain/(loss) for the year</b>		<b>43.09</b>	<b>(44.99)</b>
<b>Total comprehensive income for the year</b>		<b>3,607.27</b>	<b>3,422.12</b>
<b>Earning per equity share</b>			
(Nominal value of equity share INR 10 each)	44		
Basic		7,920.39	7,704.68
Diluted		7,920.39	7,704.68

**Summary of Significant accounting policies**

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**The accompanying notes form an integral part of the financial statements.**

This is the Statement of Profit and Loss referred to in our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

(Firm Registration No. 001076N/N500013)



**Sandeep Mehta**  
Partner  
(Membership No. 099410)



For and on behalf of Board of Directors of

**Sidwal Refrigeration Industries Private Limited**



**Jasbir Singh**  
Director  
(DIN: 00259632)



**Daljit Singh**  
Director  
(DIN: 02023964)

Place: Chandigarh

Date: 21 May 2021

Place: Gurugram

Date: 21 May 2021

Place: Gurugram

Date: 21 May 2021

Sidwal Refrigeration Industries Private Limited  
Cash flow Statement for the year ended 31 March 2021  
(All amounts in INR in lakh unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. Cash flows from operating activities</b>		
Profit before tax	4,767.33	5,095.62
<b>Adjustment for:</b>		
Depreciation and amortisation expense	243.56	172.56
Advances and other balances written off	-	16.39
Bad debts	1.85	7.89
Interest income	(91.07)	(109.19)
(Gain)/loss on sale of property, plant and equipment (net)	(39.96)	-
Impairment of trade receivables written back	(32.06)	(3.85)
Provision for warranty	111.22	24.46
Unrealised foreign exchange (gain)/loss	(3.50)	5.50
Impairment loss on property, plant and equipment	57.74	-
Impairment loss on security deposits	12.58	-
Finance costs	46.34	253.50
<b>Operating profit before working capital changes</b>	<b>5,074.03</b>	<b>5,462.88</b>
<b>Adjusted for movement in:</b>		
Trade receivables	(4,073.68)	159.46
Inventories	(349.36)	646.56
Financial and non-financial assets	876.53	(704.47)
Trade payables	437.16	990.54
Provisions	3.69	(124.76)
Financial and non-financial liabilities	235.91	353.04
<b>Cash generated from operations</b>	<b>2,204.28</b>	<b>6,783.24</b>
Income tax paid (net)	(761.61)	(1,230.03)
<b>Net cash generated from operating activities</b>	<b>A 1,442.67</b>	<b>5,553.21</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets [refer note (d) below]	(1,153.98)	(522.73)
Proceeds from sale of property, plant and equipment	95.88	169.27
Payment for acquisition of business, net of cash acquired	-	(5,515.49)
Movement in bank deposits	(350.82)	1,056.19
Movement in security deposits	115.35	(279.98)
Interest received on bank deposits	62.56	106.21
<b>Net cash used in investing activities</b>	<b>B (1,231.01)</b>	<b>(4,986.53)</b>
<b>C. Cash flows from financing activities:</b>		
Repayment of short term borrowings (net)	(492.63)	(426.43)
Repayment of long term borrowings	(20.81)	(19.41)
Payment of principal portion of lease liabilities	(17.64)	-
Payment of interest portion of lease liabilities	(14.11)	-
Finance costs paid	(33.45)	(251.57)
<b>Net cash used in financing activities</b>	<b>C (578.64)</b>	<b>(697.41)</b>
<b>D Net increase/(decrease) in cash and cash equivalent (A+B+C)</b>	<b>(366.98)</b>	<b>(130.73)</b>
E Cash and cash equivalent at the beginning of the year	401.59	240.56
F Cash and cash equivalent of acquired business	-	291.76
<b>Cash and cash equivalent at the end of the year (D+E+F) {refer note 14}</b>	<b>34.61</b>	<b>401.59</b>

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Sidwal Refrigeration Industries Private Limited  
 Cash flow Statement for the year ended 31 March 2021  
 (All amounts in INR in lakh unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Notes to cash flow statement</b>		
<b>a. Cash and cash equivalents include:</b>		
Balances with banks:		
- in current and cash credit accounts	31.64	399.92
- deposits with original maturity less than three months	-	-
Cash on hand	2.97	1.67
<b>Cash and bank balances</b>	<b>34.61</b>	<b>401.59</b>

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.

d. Additions to property, plant and equipment and intangible assets include movements of capital work-in-progress, intangible assets under development, capital advances and creditors for capital goods respectively during the year.

**The accompanying notes form an integral part of the financial statements.**

This is the Cash Flow Statement referred to in our report of even date.

For **Walker Chandiook & Co LLP**  
 Chartered Accountants  
 (Firm Registration No. 001076N/N500013)



**Sandeep Mehta**  
 Partner  
 (Membership No. 099410)



**Place:** Chandigarh  
**Date:** 21 May 2021

For and on behalf of Board of Directors of  
**Sidwal Refrigeration Industries Private Limited**



**Jasbir Singh**  
 Director  
 (DIN: 00259632)

**Place:** Gurugram  
**Date:** 21 May 2021



**Daljit Singh**  
 Director  
 (DIN: 02023964)

**Place:** Gurugram  
**Date:** 21 May 2021

## Sidwal Refrigeration Industries Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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

Sidwal Refrigeration Industries Private Limited (the "Company") a private limited company domiciled in India and having its registered office at 108-A, Madangir, Pushpa Bhawan, Local Shopping Complex, New Delhi-110062, was incorporated on 16 August 1965, under the Companies Act 1956, is engaged in the business of manufacturing HVAC (Heating, Ventilation and Air Conditioning) products and services for mobility applications.

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

The financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Board of Directors on 21 May 2021. 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

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

Revenue arises mainly from the sale of manufactured and traded goods and rendering of services in the nature of annual maintenance charges. To determine whether to recognise revenue, the Company follows a 5-step process:

- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- 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.



**Sidwal Refrigeration Industries Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

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.

**Sale of goods**

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

The Company provides product warranty on its goods sold to the buyer for a period of 24 months from the date of commissioning or 36 months from the date of delivery of goods whichever is earlier against manufacturing defects. Under the terms of this warranty customers can return the product for repair or replacement if it fails to perform in accordance with published specifications. These warranties are accounted for under Ind AS 37.

**Service revenue**

Service income is recognised when the related services are rendered in accordance with the respective contracts with customers and when no significant uncertainties exist regarding the ultimate collection. Service income is recognised net of Goods and Service Tax.

**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.

**c. Business combination**

The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to acquire business is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred by the former owners of the acquired entity. Acquisition costs are generally recognised in the Statement of Profit and Loss as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition-date fair values.

Goodwill is initially measured as excess of the aggregate of the consideration over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred and where exists clear evidence of underlying reasons of classifying business combinations as bargain purchase, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through other comprehensive income.



**Sidwal Refrigeration Industries Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

**d. 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.

**e. 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 items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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 items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

**f. 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.



**g. Foreign currency transactions**

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

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

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

**h. Financial instruments**

*Initial recognition and measurement*

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

**Non-derivative financial assets**

*Subsequent measurement*

- i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost, if both the following conditions are met:
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

*Impairment of financial assets*

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

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





**Sidwal Refrigeration Industries Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

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

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

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

*De-recognition of financial assets*

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

**Non-derivative financial liabilities**

*Subsequent measurement*

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

*De-recognition of financial liabilities*

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

**Derivative financial instruments**

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

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**i. 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.



## Sidwal Refrigeration Industries Private Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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.

#### j. 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 property, plant and equipment is provided on straight line method based on life prescribed as per Schedule II of the Companies Act, 2013.

Block of asset	Useful life as per Companies Act, 2013 (in years)
Building	30
Plant and equipment	15
Tools and equipment	8
Data processing equipment	3
Furniture and fixture	10
Office equipment	5
Vehicles	8

##### *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.

#### k. 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.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Following initial recognition, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when the asset is available for use. It is amortised over the



## Sidwal Refrigeration Industries Private Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

#### *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	5
Backlog contracts	1
Technical know-how	15

#### **l. Capital work-in-progress**

Cost of material consumed and erection charges thereon along with other direct cost incurred by the Company for the projects are shown as capital work-in-progress until capitalisation.

#### **m. 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.

#### **n. Right of use assets and lease liabilities**

##### **The Company as a lessee**

#### *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.



## Sidwal Refrigeration Industries Private Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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.

#### **The Company as a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

#### **o. Borrowing costs**

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption.

#### **p. 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.



**Sidwal Refrigeration Industries Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

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.

**q. 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.

**r. Non-current assets held for sale**

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, assets arising from employee benefits and deferred tax assets, continue to be measured in accordance with the Company's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.



**s. 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.

**t. 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**

On 24 March 2021, the Ministry of Corporate Affairs (MCA), notified amendments in Schedule III to the Companies Act, 2013 effective from 1 April 2021. Following are key amended provisions which may have impact on the presentation of standalone financial statement of the Company:

**Balance sheet:**

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables and capital work-in-progress.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Reconciliation of quarterly statement of current assets submitted to bank/FI for secured borrowings with books of account and disclosure of material discrepancy, if any.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, promoters shareholding, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

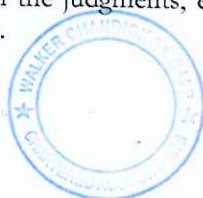
- Additional disclosures relating to undisclosed income, Corporate Social Responsibility (CSR) and crypto or virtual currency specified under the head 'additional information' in the notes to the standalone financial statements.
- Disclosure of specified financial ratios such as current ratio, debt equity ratio, DSCR, ROE, Turnover ratios, Net profit ratio, ROCE, ROI etc.

The Company is currently evaluating the impact of these amendment on its financial statements.

**Significant accounting judgements, estimates and assumptions**

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

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



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

*Significant judgements:*

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

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

**(ii) Recognition of deferred tax assets**

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

**(iii) Contingent liabilities**

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

*Sources of estimation uncertainty:*

**(i) Impairment allowance for trade receivables**

The allowance for trade receivables reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, dealer termination rates, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

**(ii) Product warranties**

The Company makes provisions for estimated expenses related to product warranties at the time products are sold. Management establishes these estimates based on historical information of the nature, frequency and average cost of warranty claims. The Company seeks to improve product quality and minimise warranty expenses arising from claims. Warranty costs may differ from those estimated if actual claim rates are higher or lower than historical rates.

**(iii) 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.

**(iv) 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.



**Sidwal Refrigeration Industries Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**  
**(All amounts in INR in lakh unless otherwise stated)**

**4. Property, plant and equipment**

Description	Land	Office equipment	Buildings	Data processing equipment	Plant and Machinery	Tools and equipment	Furniture and fixtures	Vehicles	Right of Use-Plant and equipment	Total
<b>Gross Block</b>										
As at 01 April 2019	9.60	34.70	401.07	22.65	437.43	82.20	29.49	175.57	-	1,192.71
Additions pursuant to business acquisition (refer note 52)	-	0.22	-	1.02	123.78	17.91	0.31	7.97	-	151.21
Additions	-	42.15	153.01	31.96	213.97	33.36	100.99	7.57	170.27	753.28
Disposals/adjustments	-	-	-	-	(169.27)	-	-	-	-	(169.27)
Classified as held for sale	(8.57)	-	(82.17)	-	-	-	-	-	-	(90.74)
<b>As at 31 March 2020</b>	<b>1.03</b>	<b>77.07</b>	<b>471.91</b>	<b>55.63</b>	<b>605.91</b>	<b>133.47</b>	<b>130.79</b>	<b>191.11</b>	<b>170.27</b>	<b>1,837.19</b>
Additions	-	18.45	464.87	25.53	653.86	30.82	44.74	8.21	-	1,246.48
Disposals/adjustments	-	-	(108.70)	(0.19)	(55.57)	-	(0.41)	(5.45)	-	(170.32)
<b>As at 31 March 2021</b>	<b>1.03</b>	<b>95.52</b>	<b>828.08</b>	<b>80.96</b>	<b>1,204.20</b>	<b>164.29</b>	<b>175.12</b>	<b>193.87</b>	<b>170.27</b>	<b>2,913.35</b>
<b>Accumulated depreciation</b>										
As at 01 April 2019	-	8.28	192.25	8.35	208.86	17.50	14.33	47.92	-	497.49
Charge for the year	-	9.49	11.50	11.52	35.65	22.15	3.83	22.39	-	116.53
Disposals/adjustments	-	-	-	-	-	-	-	-	-	-
Classified as held for sale	-	-	(43.14)	-	-	-	-	-	-	-
<b>As at 31 March 2020</b>	<b>-</b>	<b>17.77</b>	<b>160.61</b>	<b>19.87</b>	<b>244.51</b>	<b>39.65</b>	<b>18.16</b>	<b>70.31</b>	<b>-</b>	<b>(43.14)</b>
Charge for the year	-	15.47	16.94	17.95	53.75	18.04	13.75	19.75	24.38	570.88
Disposals/adjustments	-	-	(50.97)	(0.14)	(3.29)	-	(0.11)	(2.14)	-	180.03
<b>As at 31 March 2021</b>	<b>-</b>	<b>33.24</b>	<b>126.58</b>	<b>37.68</b>	<b>294.97</b>	<b>57.69</b>	<b>31.80</b>	<b>87.92</b>	<b>24.38</b>	<b>(56.66)</b>
<b>Net block as at 31 March 2020</b>	<b>1.03</b>	<b>59.30</b>	<b>311.30</b>	<b>35.76</b>	<b>361.40</b>	<b>93.82</b>	<b>112.63</b>	<b>120.80</b>	<b>170.27</b>	<b>1,266.31</b>
<b>Net block as at 31 March 2021</b>	<b>1.03</b>	<b>62.28</b>	<b>701.50</b>	<b>43.28</b>	<b>909.24</b>	<b>106.60</b>	<b>143.32</b>	<b>105.95</b>	<b>145.89</b>	<b>2,219.10</b>

**Notes:**

**(i) Contractual obligations**

Refer note 38 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**(ii) Right-of-use assets**

Refer note 45 for information on right of use assets.

(iii) During the year, there was an impairment loss on property, plant and equipment amounting to INR 57.74 lakh



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Sidwal Refrigeration Industries Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in INR in lakh unless otherwise stated)

5. Intangible assets

Description	how				Total intangible assets
	Goodwill	Backlog Contracts	Technical Know-	Computer software	
<b>Gross Block</b>					
Balance as at 01 April 2019	-	-	-	16.55	16.55
Additions pursuant to business acquisition (refer note 52)	3,382.86	1.80	803.00	-	804.80
Additions	-	-	-	27.28	27.28
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>3,382.86</b>	<b>1.80</b>	<b>803.00</b>	<b>43.83</b>	<b>848.63</b>
Additions	-	-	-	13.37	13.37
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>3,382.86</b>	<b>1.80</b>	<b>803.00</b>	<b>57.20</b>	<b>862.00</b>
<b>Accumulated amortisation</b>					
Balance as at 01 April 2019	-	-	-	0.58	0.58
Charge for the year	-	1.80	49.13	5.10	56.03
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>1.80</b>	<b>49.13</b>	<b>5.68</b>	<b>56.61</b>
Charge for the year	-	-	53.53	10.00	63.53
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>1.80</b>	<b>102.66</b>	<b>15.68</b>	<b>120.14</b>
<b>Net block as at 31 March 2020</b>	<b>3,382.86</b>	<b>-</b>	<b>753.87</b>	<b>38.15</b>	<b>792.02</b>
<b>Net block as at 31 March 2021</b>	<b>3,382.86</b>	<b>-</b>	<b>700.34</b>	<b>41.52</b>	<b>741.86</b>

\* Amortisation for the year has been included in line item 'Depreciation and amortisation expense' in Statement of Profit and Loss.

**Impairment testing of Goodwill**

During the previous year, the Company entered into a business combination with Sidwal Technologies, whereby it acquired an organised workforce, property, plant and equipment, intangible assets, certain other assets and liabilities generating goodwill of INR 3,382.86 Lakh.

The Company tests goodwill annually for impairment, or more frequently if an event occurs that warrants a review. The key assumptions made in undertaking the value in use calculations involve estimating post-tax cash flows.

Budgeted profit and cash flow forecasts for the financial year ending 31 March 2021 have been extrapolated for a period of 5 years and a terminal growth rate of 5% has been applied thereafter and used as the basis of the calculations.

Discount rate assumptions are based on management estimates of the internal cost of capital likely to apply over the expected useful economic life of the goodwill and management's view of the risk associated. A discount rate of 15.87% has been applied.



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Sidwal Refrigeration Industries Private Limited  
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
 (All amounts in INR in lakh unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<b>6 Loans (non-current)</b>		
Security deposits		
- Unsecured, considered good	258.94	80.91
- Credit impaired	12.58	-
Impairment allowance	271.52	80.91
- Credit impaired	(12.58)	-
	<u>258.94</u>	<u>80.91</u>
Refer note 47 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 48 - Financial risk management for assessment of expected credit losses.		
<b>7 Other financial assets (non-current)</b>		
Bank deposits with more than 12 months maturity	185.81	166.43
	<u>185.81</u>	<u>166.43</u>
Refer note 14(f) for bank deposits with more than 12 months maturity which are under restriction.		
<b>8 Deferred tax assets (net)</b>		
<b>Deferred tax asset arising on account of:</b>		
Provision for employee benefits	141.24	-
Financial assets and financial liabilities at amortised cost	0.32	-
Allowance for credit impaired receivable	136.27	-
Provision for warranty expenses	3.17	-
<b>Deferred tax liability arising on account of:</b>		
Depreciation and amortisation of property, plant and equipment and intangible assets	269.47	-
<b>Deferred tax assets (net)</b>	<u>11.53</u>	<u>-</u>

<b>8A Deferred tax liabilities (net)</b>		
<b>Deferred tax liability arising on account of:</b>		
Depreciation and amortisation of property, plant and equipment and intangible assets	-	293.96
Financial assets and financial liabilities at amortised cost	-	0.47
<b>Deferred tax asset arising on account of:</b>		
Provision for employee benefits	-	131.87
Provision for warranty expenses	-	6.16
Allowance for credit impaired receivable	-	146.23
<b>Deferred tax liabilities (net)</b>	<u>-</u>	<u>10.17</u>

**Movement in deferred tax liabilities/(assets) (net)**

Particulars	01 April 2019	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	31 March 2020
<b>Liabilities</b>				
Depreciation and amortisation of property, plant and equipment and intangible assets	44.37	-	249.59	293.96
Financial assets and financial liabilities at amortised cost	-	-	0.47	0.47
<b>Assets</b>				
Provision for employee benefits	96.08	13.90	21.89	131.87
Financial assets and financial liabilities at amortised cost	0.11	-	(0.11)	-
Allowance for credit impaired receivable	174.38	-	(28.15)	146.23
Provision for warranty expenses	-	-	6.16	6.16
<b>Deferred tax (liabilities)/assets (net)</b>	<u>226.21</u>	<u>13.90</u>	<u>(250.28)</u>	<u>(10.17)</u>

Particulars	01 April 2020	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	31 March 2021
<b>Liabilities</b>				
Depreciation and amortisation of property, plant and equipment and intangible assets	293.96	-	(24.49)	269.47
Financial assets and financial liabilities at amortised cost	0.47	-	(0.47)	-
<b>Assets</b>				
Provision for employee benefits	131.87	(14.49)	23.88	141.24
Financial assets and financial liabilities at amortised cost	-	-	0.32	0.32
Allowance for credit impaired receivable	146.23	-	(9.96)	136.27
Provision for warranty expenses	6.16	-	(2.99)	3.17
<b>Deferred tax (liabilities)/assets (net)</b>	<u>(10.17)</u>	<u>(14.49)</u>	<u>36.20</u>	<u>11.53</u>



Sidwal Refrigeration Industries Private Limited  
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
 (All amounts in INR in lakh unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<b>9 Non-current tax assets (net)</b>		
Non-current tax assets	231.39	324.39
	<u>231.39</u>	<u>324.39</u>
<b>10 Other non-current assets</b>		
Capital advances	0.69	2.77
Prepaid expenses	53.52	12.02
	<u>54.21</u>	<u>14.79</u>
<b>11 Inventories</b> (Valued at lower of cost or net realisable value, unless otherwise stated)		
Raw materials		
- in hand		
- in transit	2,279.52	1,821.24
Intermediate products	36.63	6.89
Finished goods	418.92	-
- in hand		
- in transit	68.26	803.79
	177.96	-
	<u>2,981.29</u>	<u>2,631.92</u>
<b>12 Trade receivables</b>		
Trade receivables (refer note 41)		
- Unsecured, considered good	8,881.51	4,834.58
- Credit impaired	494.62	477.24
	<u>9,376.13</u>	<u>5,311.82</u>
Impairment allowance		
- Unsecured, considered good	(46.79)	(103.76)
- Credit impaired	(494.62)	(477.24)
	<u>8,834.72</u>	<u>4,730.82</u>
<b>Notes:</b>		
(i) The carrying values of trade receivables are considered to be a reasonable approximation of fair values.		
(ii) Refer note 48 - Financial risk management for assessment of expected credit losses.		
<b>13 Cash and cash equivalents</b>		
Balances with banks:		
- in current and cash credit accounts	31.64	399.92
Cash on hand	2.97	1.67
	<u>34.61</u>	<u>401.59</u>
The carrying values are a reasonable approximate of their fair values.		
<b>14 Other bank balances</b>		
Deposits with original maturity more than three months but less than twelve months	944.30	617.69
	<u>944.30</u>	<u>617.69</u>
<b>(i) Bank deposits which are under restriction:</b>		
Fixed deposits with banks held as margin money for letter of credits, bank guarantees, working capital facilities and buyers credit	1,127.98	607.96
Fixed deposits lodged with banks for issue of guarantees in favour of sale tax authorities	2.13	2.00
Fixed deposits with banks held till security perfection	-	174.16
	<u>1,130.11</u>	<u>784.12</u>
(ii) Refer note 47- Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 48- Financial risk management for assessment of expected credit losses.		
<b>15 Loans (current)*</b>		
<b>Unsecured, considered good</b>		
Security deposits (refer note 41)	346.20	618.83
	<u>346.20</u>	<u>618.83</u>
The carrying values are considered to be a reasonable approximation of fair values.		
* The Company does not have any loans which are either credit impaired or where there is significant increase in credit risk.		
<b>16 Other financial assets (current)</b>		
Unbilled revenue	649.68	1,534.11
Other recoverable amounts	1.57	3.51
	<u>651.25</u>	<u>1,537.62</u>
The carrying values are considered to be a reasonable approximation of fair values.		



Sidwal Refrigeration Industries Private Limited  
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
 (All amounts in INR in lakh unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<b>17 Other current assets</b>		
Advances to suppliers	127.93	216.45
Prepaid expenses	48.21	18.82
Balances with statutory authorities	81.70	42.55
Advance to employees	35.38	47.06
	<u>293.22</u>	<u>324.88</u>
<b>18 Assets held for sale</b>		
Land and building	47.60	47.60
	<u>47.60</u>	<u>47.60</u>

**Notes:**

(i) Details of assets held for sale :

The Company executed an agreement to sell during the previous year, for transfer of its land & building in Kalamb, Himachal Pradesh for a consideration of INR 129.54 lakh. The said transfer is subject to the permissions from Himachal Pradesh Government Department

(ii) Non-recurring fair value measurements

Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell at the time of re-classification. The carrying amount of land and building is lower than the fair value, hence no write down is made during the year. This is Level 3 measurement as per fair value hierarchy set out in fair value measurement disclosures (refer note 47).

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Sidwal Refrigeration Industries Private Limited  
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
 (All amounts in INR in lakh unless otherwise stated)

19 Equity share capital

Authorised capital

60,000 (previous year: 60,000) Equity shares of INR 1,000 each

Issued, subscribed capital and fully paid up

45,000 (previous year: 45,000) Equity shares of INR 1,000 each

	As at 31 March 2021	As at 31 March 2020
	600.00	600.00
	<b>600.00</b>	<b>600.00</b>
	450.00	450.00
	<b>450.00</b>	<b>450.00</b>

(i) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 1,000 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

Equity share capital of INR 1000 each fully paid up

Balance at the beginning of the year

Add: Shares issued during the year

Balance at the end of the year

31 March 2021		31 March 2020	
No. of shares	(INR in lakh)	No. of shares	(INR in lakh)
45,000	450.00	45,000	450.00
	-		-
<b>45,000</b>	<b>450.00</b>	<b>45,000</b>	<b>450.00</b>

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

Amber Enterprises India Limited

Ms. Randhir Kaur

As on 31 March 2021		As on 31 March 2020	
No. of shares	% holding	No. of shares	% holding
44,999	100.00%	36,000	80.00%
		9,000	20.00%

(iv) Shares held by holding company:

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

Amber Enterprises India Limited

As on 31 March 2021		As on 31 March 2020	
No. of shares	% holding	No. of shares	% holding
44,999	100%	36,000	80%

(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 and five years immediately preceding the balance sheet date.

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Sidwal Refrigeration Industries Private Limited  
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
 (All amounts in INR in lakh unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<b>20 Other equity</b>		
<b>General reserve</b>		
Balance at the beginning and end of the year	1,245.89	1,245.89
<b>Surplus in the Statement of Profit and Loss</b>		
Balance at the beginning of the year		
Add : Profit for the year	10,192.01	6,769.89
Add: Other comprehensive income/(loss):	3,564.18	3,467.11
Remeasurement of defined benefit obligations (net of tax)	43.09	(44.99)
Balance at the end of the year	<u>13,799.28</u>	<u>10,192.01</u>
	<u>15,045.17</u>	<u>11,437.90</u>
<b>Nature and purpose of other reserves</b>		
<b>General reserve</b>		
General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of "other equity" to another.		
<b>21 Long-term borrowings [refer note (i)]</b>		
<b>Secured</b>		
Vehicle loan from banks	26.51	49.27
	<u>26.51</u>	<u>49.27</u>
<b>22 Lease liabilities</b>		
Long term maturities of lease liabilities	109.55	128.83
	<u>109.55</u>	<u>128.83</u>
Current maturities of lease liabilities	29.51	27.87
	<u>29.51</u>	<u>27.87</u>
For disclosures related to lease liabilities, refer note 45.		
<b>23 Provisions (non-current)</b>		
<b>Provision for employee benefits*</b>		
Gratuity	373.41	354.47
Compensated absences	134.17	113.21
	<u>507.58</u>	<u>467.68</u>
*For disclosures related to provision for employee benefits, refer note 46- Employee benefit obligations.		
<b>24 Short-term borrowings</b>		
<b>Secured</b>		
Cash credits	457.37	-
Working capital demand loan	-	950.00
	<u>457.37</u>	<u>950.00</u>

**Notes:**

**a. Details of security of short term borrowings for the year ended 31 March 2021**

Cash Credits from bank is secured by first charge on all current and movable fixed assets of the Company, equitable mortgage on industrial plot No. 23, Sector 6, Faridabad, 121007 Haryana and corporate guarantee given by Amber Enterprises India Limited (Holding Company).

**b. Details of security of short term borrowings for the year ended 31 March 2020**

Working Capital Demand Loan from bank are secured by first charge on all current and movable fixed assets of the Company, equitable mortgage on industrial plot No. 23, Sector 6, Faridabad, 121007 Haryana and corporate guarantee given by Amber Enterprises India Limited (Holding Company).

**c. Terms of repayment and interest rate for the year ended 31 March 2021**

Cash Credits from bank amounting to INR 457.37 lakh, carrying interest rate of 7.90% p.a. is repayable within one year.

**d. Terms of repayment and interest rate for the year ended 31 March 2020**

Working capital demand loan from Banks amounting to INR 950.00 lakh, carrying interest rate of 7.90% p.a. is repayable on demand.

**g. Reconciliation of liabilities arising from financing activities**

	Long-term borrowings (including current maturities)	Lease liabilities	Short-term borrowings	Total
<b>As at 01 April 2019</b>	89.88	-	1,376.43	1,466.31
Cash flows:				
Proceeds from borrowings	-	-	-	-
Repayment of borrowings	(19.41)	-	(426.43)	(445.84)
Non-cash:				
Impact of amortised cost adjustment for lease liabilities	-	156.71	-	156.71
<b>As at 31 March 2020</b>	70.47	156.71	950.00	1,177.18
Cash flows:				
Proceeds from borrowings	-	-	-	-
Repayment of borrowings	(20.81)	(17.64)	(492.63)	(531.08)
Non-cash:				
Adjustment on adoption of Ind AS 116	-	-	-	-
<b>As at 31 March 2021</b>	49.66	139.07	457.37	646.10



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 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
 (All amounts in INR in lakh unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<b>25 Trade payables</b>		
Dues of micro enterprises and small enterprises [refer note (i) below]		
Dues of creditors other than micro enterprises and small enterprises (refer note 41)	1.25	-
	<u>2,383.41</u>	<u>1,951.00</u>
	<u><b>2,384.66</b></u>	<u><b>1,951.00</b></u>

**Notes:**

**(i) Disclosures pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006**

Pursuant to the requirements under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006), the following information has been determined by the management to the extent such parties have been identified on the basis of information submitted to the Company, including but not limited to the UDYAM registration certificates obtained from suppliers who have registered themselves under the MSMED Act, 2006, certificates from Chartered Accountant regarding gross investment in plant and equipment as on 31 March 2021, and the latest audited balance sheets of the suppliers:

Principal amount remaining unpaid		
Interest accrued and due thereon remaining unpaid	1.25	-
Interest paid by the company in terms of section 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.	-	-
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.	-	-
Interest accrued and remaining unpaid as at the end of the year	-	-
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.	-	-
	-	-

(ii) The carrying values are considered to be reasonable approximation of their fair values.

**26 Other financial liabilities (current)**

Current maturities of long-term borrowings:

Vehicle loan from banks (refer note 21)

Interest accrued but not due

Creditors for capital expenditure

Security deposits

Expenses payable

Employee related payables

	23.15	21.20
	1.16	2.39
	194.13	90.33
	6.44	6.44
	91.61	58.36
	399.30	376.52
	<u><b>715.79</b></u>	<u><b>555.24</b></u>

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

**27 Other current liabilities**

Advance against sale of land and building

Advance from customers

Payable to statutory authorities

	129.54	129.54
	203.58	300.38
	541.86	265.16
	<u><b>874.98</b></u>	<u><b>695.08</b></u>

**28 Provisions**

**Provision for employee benefits**

Gratuity

Compensated absences

Provision for warranty

	43.25	37.90
	10.32	18.31
	44.52	24.46
	<u><b>98.09</b></u>	<u><b>80.67</b></u>

**Notes:**

(i) For disclosures related to provision for employee benefits, refer note 46- Employee benefit obligations.

(ii) Information related to provision for warranty:

The Company gives warranties on certain products and undertakes to repair or replace them if these fail to perform satisfactorily during the free warranty period. Such provision represents the amount of expected cost of meeting the obligations of such rectification/replacement. The timing of outflows is expected to be within one year. The provision is based on estimates made from historical warranty data associated with similar products.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance		
Add: Provision made during the year	24.46	-
Less: Provision utilised during the year	111.22	24.46
Closing balance	<u>(91.16)</u>	<u>-</u>
	<u><b>44.52</b></u>	<u><b>24.46</b></u>

**29 Current tax liabilities (net)**

Provision for income tax

	519.68	134.95
	<u><b>519.68</b></u>	<u><b>134.95</b></u>



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Sidwal Refrigeration Industries Private Limited  
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
 (All amounts in INR in lakh unless otherwise stated)

Notes:

21(i) For repayment terms of the outstanding long-term borrowings (including current maturities) refer the table below:

S.No.	Nature of loan	Lender	As at				Nature of securities	Interest rate	Tenure of repayment
			31 March 2021		31 March 2020				
			Non-Current	Current	Non-Current	Current			
1	Vehicle Loan	HDFC Bank	2.69	2.66	5.30	2.44	The term loan from bank is secured by way of hypothecation of car.	8.55% (previous year: 8.55%) Repayable in 23 monthly instalments with last instalment payable on 07 February 2023.	
2	Vehicle Loan	HDFC Bank	2.90	4.64	7.54	4.25	The term loan from bank is secured by way of hypothecation of car.	8.75% (previous year: 8.75%) Repayable in 19 monthly instalments with last instalment payable on 05 October 2022.	
3	Vehicle Loan	HDFC Bank	2.55	2.83	5.38	2.60	The term loan from bank is secured by way of hypothecation of car.	8.45% (previous year: 8.45%) Repayable in 22 monthly instalments with last instalment payable on 07 January 2023.	
4	Vehicle Loan	HDFC Bank	0.66	1.86	2.32	1.71	The term loan from bank is secured by way of hypothecation of car.	8.45% (previous year: 8.45%) Repayable in 16 monthly instalments with last instalment payable on 05 July 2022.	
5	Vehicle Loan	HDFC Bank	0.23	0.65	0.88	0.60	The term loan from bank is secured by way of hypothecation of car.	8.45% (previous year: 8.45%) Repayable in 16 monthly instalments with last instalment payable on 05 July 2022.	
6	Vehicle Loan	HDFC Bank	0.32	0.84	1.14	0.77	The term loan from bank is secured by way of hypothecation of car.	8.45% (previous year: 8.45%) Repayable in 16 monthly instalments with last instalment payable on 05 July 2022.	
7	Vehicle Loan	HDFC Bank	0.23	0.65	0.88	0.60	The term loan from bank is secured by way of hypothecation of car.	8.45% (previous year: 8.45%) Repayable in 16 monthly instalments with last instalment payable on 05 July 2022.	
8	Vehicle Loan	HDFC Bank	0.23	0.65	0.88	0.60	The term loan from bank is secured by way of hypothecation of car.	8.45% (previous year: 8.45%) Repayable in 16 monthly instalments with last instalment payable on 05 July 2022.	
9	Vehicle Loan	HDFC Bank	1.78	1.39	3.17	1.27	The term loan from bank is secured by way of hypothecation of car.	8.90% (previous year: 8.90%) Repayable in 26 monthly instalments with last instalment payable on 07 May 2023.	
10	Vehicle Loan	Yes Bank	14.93	6.98	21.59	6.36	The term loan from bank is secured by way of hypothecation of car.	9.15% (previous year: 9.15%) Repayable in 34 monthly instalments with last instalment payable on 15 January 2024.	
<b>Total</b>			<b>26.51</b>	<b>23.15</b>	<b>49.27</b>	<b>21.20</b>			

(i) Refer note 47- Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 48- Financial risk management for assessment of expected credit losses.



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Sidwal Refrigeration Industries Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
(All amounts in INR in lakh unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>30 Revenue from operations</b>		
<b>Operating revenue</b>		
Sale of products	16,454.05	20,550.58
Sale of services	3,354.01	3,258.03
<b>Other operating revenues</b>		
Scrap sales	248.16	92.20
	<u>20,056.22</u>	<u>23,900.81</u>
<b>31 Other income</b>		
<b>Interest from</b>		
Bank deposits		
Other financial assets carried at amortised cost	57.74	99.01
Others	33.33	10.18
	43.46	-
<b>Other income</b>		
Foreign exchange fluctuation (net)	52.22	-
Gain on sale of property, plant and equipment (net)	39.96	-
Impairment of trade receivables written back	32.06	3.85
Miscellaneous income	42.22	8.92
	<u>300.99</u>	<u>121.96</u>
<b>32 Cost of materials consumed</b>		
<b>Opening stock</b>		
Opening stock		
Add: Purchases made during the year	1,828.12	1,318.93
Add: Acquisition of business (refer note 52)	10,748.39	12,219.26
<b>Less: Closing stock</b>		
Less: Closing stock	-	753.59
	<u>2,316.15</u>	<u>1,828.12</u>
	<u>10,260.36</u>	<u>12,463.66</u>
<b>33 Changes in inventories of finished goods and intermediate products</b>		
<b>Opening stock</b>		
Intermediate products		
Finished goods	-	549.71
	803.79	624.26
Add: Acquisition of business (refer note 52)		
Intermediate products		
Finished goods	-	12.38
	-	19.61
<b>Closing stock</b>		
Intermediate products	418.92	-
Finished goods	246.22	803.79
	<u>138.65</u>	<u>402.17</u>
<b>34 Employee benefits expense</b>		
Salary, wages and bonus	2,648.77	2,677.78
Contribution to provident and other funds	215.14	252.16
Staff welfare expenses	79.13	100.51
	<u>2,943.04</u>	<u>3,030.45</u>
For disclosures related to provision for employee benefits, refer note 46 - Employee benefit obligations		
<b>35 Finance costs</b>		
Interest on		
- vehicle loans		
- short term borrowings	5.70	7.50
- lease liabilities	26.53	246.00
- others	14.11	-
	33.69	-
	<u>80.03</u>	<u>253.50</u>
<b>36 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment [refer note 4]	180.03	116.53
Amortisation of intangible assets [refer note 5]	63.53	56.03
	<u>243.56</u>	<u>172.56</u>



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	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>37 Other expenses</b>		
Power, fuel and water charges	98.23	104.91
Labour and fabrication charges	326.47	282.13
Freight charges	162.97	155.07
Legal and professional fees [refer note (i)]	142.61	629.72
Travelling and conveyance	142.45	182.80
Repairs and maintenance		
- plant and machinery	12.39	5.71
- buildings	16.23	9.07
- others	70.68	59.93
Insurance	11.95	8.32
Rent		
- plant and machinery		
- buildings	1.92	3.95
- others	79.09	86.17
Rates and taxes	2.87	4.63
Bank charges	18.68	12.80
Job work charges	54.73	35.63
Postage, telephone and telex	317.26	450.81
Communication expenses	24.98	-
Donation	-	21.72
Vehicle running expenses	5.18	2.18
Corporate social responsibility expenditure (refer note 51)	38.64	41.82
Printing and stationary	84.14	29.38
Business promotion expenses	11.39	15.89
Advances and other balance written off	49.58	55.86
Bad debts	-	16.39
Directors' sitting fees	1.85	7.89
Membership and subscription	2.05	2.35
Impairment loss on property, plant and equipment	3.56	3.94
Impairment loss on other financial assets	57.74	-
Festival expenses	12.58	-
Foreign exchange fluctuation (net)	4.16	9.37
Warranty expenses	-	20.21
Security expenses	111.22	24.46
Miscellaneous expenses	39.56	32.36
	19.08	132.43
	<b>1,924.24</b>	<b>2,447.90</b>
<b>i) Payments to the auditor:</b>		
For statutory audit and limited review	13.00	13.00
Reimbursement of expenses	0.87	0.77
<b>Total</b>	<b>13.87</b>	<b>13.77</b>

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Sidwal Refrigeration Industries Private Limited  
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
 (All amounts in INR in lakh unless otherwise stated)

Particulars	As at	
	31 March 2021	31 March 2020
38 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Property, plant and equipment		6.59
39 Contingent liability not provided for exists in respect of:#		
Income-tax (excluding interest and penalties)		528.51

Demands were raised by the Income-tax department for the assessment years 2004-05 through to 2007-08 for additional income-tax payable on account of determination of the Company's entitlement to deduction under section 80IC of the Income-tax Act, 1961 for profits made by its industrial unit at Kala Amb (exempted unit) at a lower amount than was claimed. The Company appealed against these demands before the Commissioner of Income-tax (Appeals) who decided in favour of the Company. Subsequently, this decision was upheld by the Income-tax Appellate Tribunal. The Income-tax Department has now appealed to the Hon'ble High Court. During the current year, all the cases were dismissed by the Hon'ble High Court.

The Company had certain litigations and based on legal advice of in-house legal team, the management believes that no material liability will devolve on the Company in respect of these litigations.

# The Hon'ble Supreme Court of India had pronounced a ruling dated 28 February 2019 in which it was held that 'allowance' paid to employees, will be included in the scope of 'basic wages' and thus, will be subject to provident fund contributions. Petitions had been filed with Hon'ble Supreme Court of India seeking additional clarification with respect to the application of this ruling. As this ruling had not prescribed any clarification w.r.t. to its application, the Company is in the process of evaluating its impact. Management believed that this will not result in any material liability on the Company.

# The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Company's results of operations or financial condition.

40 Segment information

The Company is engaged in the sales of goods and services. Basis the nature of Company's business and operations, the Company has one operating segment i.e. "HVAC products and services for mobility applications" 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'. Majority of the revenue is derived from one geography and two external customers amounting to INR 9,620.19 lakh (previous year: INR 11,701.20 lakh from one external customer).

41 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)

S.S. Sidhu and sons (HUF)- Karta is Director of the Company (Upto 18 September 2020)  
 PICL (India) Private Limited (w.e.f. 02 May 2019).  
 Intec corporation (Upto 18 September 2020)  
 Sidwal Technologies (Upto 18 September 2020)  
 Climatrol Corporation (Upto 18 September 2020)  
 Saffron Promoters Private Limited (Upto 18 September 2020)

III. Key management personnel (KMP)

- Mr. Sherjung Singh Sidhu (Upto 18 September 2020)  
(Director)
- Mr. Jasbir Singh (w.e.f. 07 May 2019)  
(Director)
- Mr. Daljit Singh (w.e.f. 07 May 2019)  
(Director)
- Mr. Udaiveer Singh (w.e.f. 30 January 2020)  
(Managing Director) (Appointed as a MD w.e.f. 29 May 2020)
- Dr. Girish Kumar Ahuja (w.e.f. 06 August 2020)  
(Independent Director)
- Mr. Satvinder Singh (w.e.f. 02 May 2019)  
(Independent Director)

IV. Relatives of Key management personnel

- Ms. Randhir kaur (Upto 18 September 2020)  
(Wife of Mr. Sherjung Singh Sidhu, Director)

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



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41 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 2021

S No.	Particulars	Holding Company	Entities over which significant influence is exercised	Key management personnel
(A)	<b>Transactions made during the year:</b>			
1	<b>Sale of goods and services</b>			
	Amber Enterprises India Limited	2.21	-	-
	Climatrol Corporation*	-	46.64	-
	Intec Corporation*	-	655.33	-
2	<b>Purchase of raw materials</b>			
	PICL (India) Private Limited	-	0.03	-
	Amber Enterprises India Limited	115.53	-	-
	Climatrol Corporation*	-	35.65	-
	Intec Corporation*	-	36.44	-
3	<b>Asset purchase</b>			
	Amber Enterprises India Limited	1.64	-	-
	Ever Electronics Private Limited	-	1.10	-
	Climatrol Corporation*	-	5.46	-
4	<b>Extinguishment of corporate guarantee taken</b>			
	Amber Enterprises India Limited	700.00	-	-
5	<b>Remuneration</b>			
	Mr. Sherjang Singh Sidhu*	-	-	41.59
	Mr. Udaiveer singh	-	-	10.00
6	<b>Rent</b>			
	Ms. Randhir Kaur*	-	-	3.90
	S.S. Sidhu & Sons (HUF)*	-	3.90	-
7	<b>Job work charges</b>			
	Sidwal Technologies*	-	22.34	-
8	<b>Professional charges</b>			
	Mr. Udaiveer Singh	-	-	2.00
9	<b>Director sitting fees</b>			
	Girish Kumar Ahuja	-	-	0.65
	Satwinder singh	-	-	1.40

(B) Balances at year end

S No.	Particulars	Holding Company	Entities over which significant influence is exercised	Key management personnel
1	<b>Trade payables</b>			
	Amber Enterprises India Limited	61.55	-	-
2	<b>Payable to KMP's</b>			
	Mr. Udaiveer singh	-	-	0.95
3	<b>Corporate guarantee taken*</b>			
	Amber Enterprises India Limited	10,200.00	-	-

\* Corporate guarantee taken by the Company from Holding company for working capital borrowings. The original sanctioned limits of working capital borrowings sanctioned by the banks has been disclosed above



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Sidwal Refrigeration Industries Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
(All amount in INR lakh unless stated otherwise)

41 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 2020

S No.	Particulars	Holding Company	Entities over which significant influence is exercised	Key management personnel
(A)	Transactions made during the year:			
1	<b>Sale of goods and services</b>			
	PICL (India) Private Limited	-	0.22	-
	Amber Enterprises India Limited	30.21	-	-
	Sidwal Technologies	-	3.02	-
	Climatrol Corporation	-	184.26	-
	Intec Corporation	-	2,101.76	-
2	<b>Purchase of raw materials</b>			
	PICL (India) Private Limited	-	8.52	-
	Amber Enterprises India Limited	152.96	-	-
	Sidwal Technologies	-	230.61	-
	Climatrol Corporation	-	312.85	-
	Intec Corporation	-	635.56	-
3	<b>Asset purchase</b>			
	Amber Enterprises India Limited	2.00	-	-
4	<b>Remuneration</b>			
	Mr. Sherjang Singh Sidhu	-	-	65.04
	Ms. Randhir Kaur	-	-	2.00
5	<b>Corporate guarantee</b>			
	Amber Enterprises India Limited	10,900.00	-	-
6	<b>Rent</b>			
	Ms. Randhir Kaur	-	-	55.24
	S.S. Sidhu & Sons (HUF)	-	26.79	-
7	<b>Job work charges</b>			
	Sidwal Technologies	-	198.59	-
	Climatrol Corporation	-	4.33	-
8	<b>Security deposit</b>			
	Sidwal Technologies	-	166.28	-
9	<b>Loan received</b>			
	Mr. Sherjang Singh Sidhu	-	-	1,500.00
	Mr. Jasbir Singh	-	-	816.00
10	<b>Loan repayment</b>			
	Mr. Sherjang Singh Sidhu	-	-	1,500.00
	Mr. Jasbir Singh	-	-	816.00
11	<b>Interest on loan</b>			
	Mr. Sherjang Singh Sidhu	-	-	7.81
	Mr. Jasbir Singh	-	-	0.67
12	<b>Professional charges</b>			
	Mr. Udaiveer Singh	-	-	8.00
13	<b>Vehicle running expenses</b>			
	Mr. Udaiveer Singh	-	-	0.14
14	<b>Sitting fees paid to Independent Directors</b>			
	Ms. Lovely Mehra	-	-	1.25
	Mr. Satvinder Singh	-	-	1.10
15	<b>Purchase consideration paid on acquisition of business, net of cash acquired</b>			
	Sidwal Technologies (refer note 52)	-	5,515.49	-



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(B) Balances at year end

S No.	Particulars	Holding Company	Entities over which significant influence is exercised	Key management personnel
1	<b>Trade payables</b>			
	PICL (India) Private Limited	-	0.53	-
	Amber Enterprises India Limited	69.70	-	-
	Climatrol Corporation	-	21.88	-
	S.S. Sidhu & Sons (HUF)	-	2.81	-
	Sidwal Technologies	-	87.43	-
2	<b>Trade receivables</b>			
	Intec Corporation	-	383.77	-
3	<b>Security deposit</b>			
	Sidwal Technologies	-	166.28	-
4	<b>Payable to KMP's</b>			
	Mr. Sherjang Singh Sidhu	-	-	3.12
	Mr. Udaiveer singh	-	-	0.90
	Ms. Randhir Kaur	-	-	2.81
5	<b>Corporate guarantee</b>			
	Amber Enterprises India Limited	10,900.00	-	-

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Sidwal Refrigeration Industries Private Limited  
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
 (All amount in INR lakh unless stated otherwise)

42 Assets pledged as security

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Current</b>		
Inventories		
Trade receivables	2,981.29	2,631.92
Cash and cash equivalents, and other bank balances	8,834.72	4,730.82
Loans, other financial assets and other current assets	978.91	1,019.27
	1,290.67	2,481.33
<b>Total current assets pledged as security</b>	<b>14,085.59</b>	<b>10,863.34</b>
<b>Non-current</b>		
Property, plant and equipment	2,219.10	1,206.64
<b>Total assets pledged as security</b>	<b>16,304.69</b>	<b>12,069.98</b>

43 Tax expense

Income tax expense recognised in Statement of Profit and Loss

Current tax

Current tax expense for current year

Current tax expense pertaining to prior years

Deferred tax

Deferred tax (benefit)/expense for current year

Deferred tax (benefit)/expense pertaining to prior years

For the year ended  
31 March 2021

For the year ended  
31 March 2020

	1,239.35	1,185.55
	-	192.68
	1,239.35	1,378.23
	(36.20)	250.28
	-	-
	(36.20)	250.28
	<b>1,203.15</b>	<b>1,628.51</b>

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 25.17% and the reported tax expense in profit or loss are as follows:

Profit before tax

Income tax using the Company's domestic tax rate \*

Expected tax expense [A]

Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense

Non-deductible expenses/non-taxable income

Tax expense related to earlier years

Change in tax rates during the year

Others

Total adjustments [B]

Actual tax expense [C=A+B]

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

Base tax rate

Surcharge (% of tax)

Cess (% of tax)

Applicable rate

22% 22%

10% 10%

4% 4%

25.17% 25.17%

The Taxation Laws (Amendment) Act, 2019 has amended the Income-tax Act, 1961 and Finance Act, 2019 to inter-alia provide an option to the Company to pay Income Tax at concessional rate of 22% plus applicable surcharge and cess, subject to certain specified conditions, as compared to the present rate of 30% plus applicable surcharge and cess for the assessment year 2020-21 onwards. The Company has opted for the concessional tax rate during the year ended 31 March 2020 and accordingly, remeasured deferred tax and current tax liability at such concessional rate.

44 Earnings per share

Net profit attributable to equity shareholders

Number of weighted average equity shares (Nominal value of INR 1,000 each)

- Basic (Nos.)

- Diluted (Nos.)

Earnings per share- after exceptional items and tax (INR)

- Basic

- Diluted

3,564.18 3,467.11

45,000.00 45,000.00

45,000.00 45,000.00

7,920.39 7,704.68

7,920.39 7,704.68



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Sidwal Refrigeration Industries Private Limited  
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
 (All amount in INR lakh unless stated otherwise)

45 Leases

Lease liabilities are presented in the statement of financial position as follows:

	As at 31 March 2021	As at 31 March 2020
Current		
Non-current	29.51	27.87
	109.55	128.83
	<b>139.06</b>	<b>156.70</b>

The Company has leases for plant and machinery, office premises, warehouses and related facilities. With the exception of short-term leases, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. The Company must keep leased assets in a good state of repair and return the assets in their original condition at the end of the lease.

A Sale and leaseback transaction

- (i) During the previous year, the Company had entered into a sale and leaseback arrangement with TATA Capital Financial Services Limited for plant and equipment. The Company had entered into this arrangement for financing the assets so as to use the cash generated from this transaction for providing extra working capital into the business.
- (ii) The lease had been entered for a period of 84 months with non-cancellable period of 78 months. The Company had considered automatic extension option available for another 6 months in the assessment of lease period since the Company can enforce its right to extend the lease beyond the initial lease period. The interest rate implicit in the lease used for discounting the lease payments was taken as 9.48%.

B The following are amounts recognised in profit or loss:

	31 March 2021	31 March 2020
Rent expense*		
Total	83.88	94.75
*Rent expense in term of short term leases	83.88	94.75

- C The lease liabilities are secured by the related underlying assets. The maturity analysis of lease liabilities are disclosed in note 48.
- D The Company does not have any liability to make variable lease payments for the right to use the underlying asset recognised in the financials.
- E Total cash outflow for leases for the year ended 31 March 2021 was ₹ 115.25 lakh (previous year: ₹ 87.61 lakh).

Impact of COVID-19

The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards plant and machineries are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

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46 Employee benefit obligations

Particulars	31 March 2021		31 March 2020	
	Current	Non-current	Current	Non-current
Gratuity			37.90	354.47
Compensated absences	43.25	373.41		
<b>Total</b>	<b>10.32</b>	<b>134.17</b>	<b>18.31</b>	<b>113.21</b>
	<b>53.57</b>	<b>507.58</b>	<b>56.21</b>	<b>467.68</b>

A Disclosure of gratuity

(i) Amount recognised in the Statement of Profit and Loss is as under:

Description	31 March 2021	31 March 2020
Current service cost		
Interest cost	81.42	90.02
<b>Net impact on profit (before tax)</b>	<b>27.47</b>	<b>19.29</b>
Actuarial loss recognised during the year	108.89	109.31
<b>Amount recognised in total comprehensive income</b>	<b>(57.58)</b>	<b>58.89</b>
	<b>51.31</b>	<b>168.20</b>

(ii) Change in the present value of obligation:

Description	31 March 2021	31 March 2020
<b>Present value of defined benefit obligation as at the beginning of the year</b>	<b>392.37</b>	<b>253.87</b>
Current service cost	81.42	90.02
Interest cost	27.47	19.29
Benefits paid	(27.02)	(29.70)
Actuarial (gain)/loss	(57.58)	58.89
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>416.66</b>	<b>392.37</b>

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

Description	31 March 2021	31 March 2020
Present value of funded obligation as at the end of the year		
Fair value of plan assets as at the end of the period funded status	416.66	392.37
<b>Unfunded/funded net liability recognized in balance sheet</b>	<b>416.66</b>	<b>392.37</b>

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

Description	31 March 2021	31-Mar-20
Actuarial (gain)/loss from change in demographic assumption		0.13
Actuarial (gain)/loss from change in financial assumption		39.52
Actuarial (gain)/loss from experience adjustment	(23.96)	19.24
<b>Total actuarial (gain)/loss</b>	<b>(57.58)</b>	<b>58.89</b>

(v) Actuarial assumptions

Description	31 March 2021	31 March 2020
Discount rate	7.00%	6.80%
Rate of increase in compensation levels	8.00%	8.00%
Retirement age (in years)	58	58

Notes:

- The discount rate is based on the prevailing market yield of Indian Government bonds as at the balance sheet date for the estimated terms of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- The best estimated expense for the next year is INR 96.43 lakh (previous year: INR 92.57 lakh)
- The weighted average duration of defined benefit obligation is 18 years (previous year: 22 years).

(vi) Sensitivity analysis for gratuity liability

Description	31-Mar-21	31 March 2020
<b>Impact of change in discount rate</b>		
Present value of obligation at the end of the year		392.37
- Impact due to increase of 1 %	416.66	(48.42)
- Impact due to decrease of 1 %	(39.55)	59.82
<b>Impact of change in salary increase</b>		
Present value of obligation at the end of the year		392.37
- Impact due to increase of 1 %	416.66	57.67
- Impact due to decrease of 1 %	46.32	(47.97)
	(39.55)	

The above sensitivity analysis is based on a change in 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.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous years.

(vii) Maturity profile of defined benefit obligation

Description	31 March 21	31 March 2020
Within next 12 months		
Between 1-5 years	43.25	37.90
Beyond 5 years	44.08	44.79
	329.33	309.68

B Disclosure of compensated absences

Actuarial assumptions

Description	31 March 2021	31 March 2020
Discount rate	7.00%	6.80%
Rate of increase in compensation levels	8.00%	8.00%
Retirement age (in years)	58	58



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47 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.

Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	31 March 2021		31 March 2020	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Loans	Level 3	258.94	258.94	80.91	80.91
Other financial assets	Level 3	185.81	185.81	166.43	166.43
<b>Total financial assets</b>					
<b>Financial liabilities</b>		<b>444.75</b>	<b>444.75</b>	<b>247.34</b>	<b>247.34</b>
Borrowings					
Lease liabilities	Level 3	50.82	50.82	72.86	72.86
<b>Total financial liabilities</b>		<b>139.07</b>	<b>139.07</b>	<b>156.71</b>	<b>156.71</b>
		<b>189.89</b>	<b>189.89</b>	<b>229.57</b>	<b>229.57</b>

The management assessed that cash and cash equivalents, other bank balances, trade receivables, other current financial assets, trade payables, short term borrowings and other current financial liabilities approximate their 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. The following methods and assumptions were used to estimate the fair values:

(i) Long-term fixed-rate receivables are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors.

(ii) The fair values of the Company's fixed interest-bearing borrowings, receivables and lease liabilities are determined by applying discounted cash flows ("DCF") method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2021 was assessed to be insignificant.

48 Financial risk management

i) Financial instruments by category

Particulars	31 March 2021			31 March 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Loans	-	-	605.14	-	-	699.74
Other financial assets	-	-	837.06	-	-	1,704.05
Trade receivables	-	-	8,834.72	-	-	4,730.82
Cash and cash equivalents	-	-	34.61	-	-	401.59
Other bank balances	-	-	944.30	-	-	617.69
<b>Total</b>	-	-	<b>11,255.83</b>	-	-	<b>8,153.89</b>
<b>Financial liabilities</b>						
Borrowings	-	-	508.19	-	-	1,022.86
Lease liabilities	-	-	139.06	-	-	156.71
Trade payables	-	-	2,384.66	-	-	1,951.00
Other financial liabilities	-	-	691.48	-	-	531.65
<b>Total</b>	-	-	<b>3,723.39</b>	-	-	<b>3,662.22</b>

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.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term and short-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

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 and receivables carried at amortised cost, and
- deposits with banks

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 individually or by the Company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

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

Assets under credit risk –

Credit rating	Particulars	31 March 2021	31 March 2020
A: Low	Loans Other financial assets Cash and cash equivalents Other bank balances Trade receivables	605.14 837.06 34.61 944.30 8,834.72	699.74 1,704.05 401.59 617.69 4,730.82
B: Medium	Trade receivables	46.79	103.76
C: High	Trade receivables Loans	494.62 12.58	477.24 -

Cash and 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.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.



b) Expected credit losses

Trade receivables

(i) The Company recognises lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by analysing historical trend of default and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for).

Impact of COVID-19

In addition to the historical pattern of credit loss, the Company has considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of verticals, impact immediately seen in the demand outlook of these verticals and the financial strength of the customers in respect of whom amounts are receivable. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, recognition of revenue on collection basis etc., depending on severity of each case.

Ageing	31 March 2021			31 March 2020		
	Gross carrying amount- trade receivables	Expected loss rate	Expected credit loss	Gross carrying amount- trade receivables	Expected loss rate	Expected credit loss
0 - 90 days	7,350.92	0%	0.48	3,601.72	0%	0.22
91 - 180 days	1,071.40	0%	1.84	538.78	0%	0.75
181 - 270 days	185.89	1%	1.51	82.50	1%	0.68
271 - 365 days	126.11	2%	2.32	295.12	2%	5.40
366 - 455 days	52.58	6%	3.05	52.53	6%	3.06
456 - 545 days	7.19	13%	0.96	37.37	13%	4.75
546 - 635 days	8.49	21%	1.77	34.76	20%	6.91
636 - 725 days	39.83	25%	10.07	18.87	27%	5.10
726 - 815 days	8.31	32%	2.69	101.87	31%	32.06
816 - 905 days	16.75	67%	11.27	46.48	56%	25.92
906 - 995 days	2.38	75%	1.79	15.73	64%	10.07
996 - 1085 days	11.66	78%	9.04	8.86	100%	8.84
More than 1085 days	494.62	100%	494.62	477.24	100%	477.24
<b>Total</b>	<b>9,376.13</b>		<b>541.41</b>	<b>5,311.82</b>		<b>581.00</b>

(ii) Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables
Loss allowance on 01 April 2019	575.83
Add: Changes in loss allowances	5.17
<b>Loss allowance on 31 March 2020</b>	<b>581.00</b>
Add: Changes in loss allowances	(32.06)
Add: Unused during the year	(7.53)
<b>Loss allowance on 31 March 2021</b>	<b>541.41</b>

Other financial assets measured at amortised cost

The Company provides for expected credit losses on loans and advances by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provide for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

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) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	31 March 2021	31 March 2020
- Expiring within one year (cash credit and other facilities)	-	-
- Expiring beyond one year (bank loans)	2,043.42	5,863.15
	<b>2,043.42</b>	<b>5,863.15</b>

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

b) 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 2021					
	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
<b>Non-derivative</b>					
Borrowings including interest	483.99	27.89	-	-	511.88
Trade payable	2,384.66	-	-	-	2,384.66
Lease liabilities	30.81	61.62	61.62	30.81	184.86
Other financial liabilities	691.48	-	-	-	691.48
<b>Total</b>	<b>3,590.93</b>	<b>89.51</b>	<b>61.62</b>	<b>30.81</b>	<b>3,772.87</b>

31 March 2020					
	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
<b>Non-derivative</b>					
Borrowings including interest	979.00	46.99	7.52	-	1,033.51
Trade payable	1,951.00	-	-	-	1,951.00
Lease liabilities	29.18	61.62	61.62	61.62	214.04
Other financial liabilities	531.65	-	-	-	531.65
<b>Total</b>	<b>3,490.83</b>	<b>108.61</b>	<b>69.14</b>	<b>61.62</b>	<b>3,730.20</b>

C) Market risk

a) Foreign currency risk

(i) The Company uses foreign currency forward exchange contracts to hedge its risks associated with fluctuations in foreign currencies relating to foreign currency liabilities. The following are outstanding derivatives contracts:

Nature of hedge instrument	Description of hedge	31 March 2021		31 March 2020	
		Amount in foreign currency (USD/EUR)	Amount in Indian Rupees	Amount in foreign currency (USD)	Amount in Indian Rupees
<b>Contract : Forward contract</b>					
Forward contract	To take protection against appreciation in Indian Rupees against USD payable in respect of imports against letter of credit	1,116,304	81.72	-	-
Forward contract	To take protection against appreciation in Indian Rupees against EUR payable in respect of imports against letter of credit	203,489	17.47	-	-



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(ii) Unhedged foreign currency risk exposure in USD:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

Particulars	31 March 2021 INR	31 March 2020 INR
Financial assets	-	-
Financial liabilities	83.75	170.79
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>(83.75)</b>	<b>(170.79)</b>

**Sensitivity**

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	31 March 2021	31 March 2020
<b>USD sensitivity</b>		
INR/USD- increase by 4.38% (previous year: 5.45%)*	(3.67)	(9.31)
INR/USD- decrease by 4.38% (previous year: 5.45%)*	3.67	9.31

\* Holding all other variables constant

b) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2020, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits, all pay fixed interest rates.

*Interest rate risk exposure*

Below is the overall exposure of the Company to interest rate risk:

Particulars	31 March 2021	31 March 2020
Variable rate borrowing	-	-
Fixed rate borrowing	457.37	950.00
<b>Total borrowings</b>	<b>457.37</b>	<b>950.00</b>
Amount disclosed under other current financial liabilities	507.03	1,020.47
<b>Amount disclosed under borrowings</b>	<b>23.15</b>	<b>21.20</b>
	<b>483.88</b>	<b>999.27</b>

*Sensitivity*

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	31 March 2021	31 March 2020
<b>Interest sensitivity*</b>		
Interest rates - increase by 100 bps (previous year: 100 bps)*	-4.57	9.50
Interest rates - increase by 100 bps (previous year: 100 bps)*	4.57	(9.50)

\* Holding all other variables constant

ii) Assets

The Company's fixed deposits are earned 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.

c) Price risk

The Company does not have any significant investments in equity instruments which create an exposure to price risk.

D) Other risk - Impact of COVID-19

In March 2020, World Health Organization (WHO) had declared the outbreak of Novel Coronavirus Infection Disease 2019 (COVID-19) as a pandemic. Complying with the directives of Government, the plant and railway locations of the Company had been under lock-down for few months, resulting thereto, the operations for the year have been impacted. Post lockdown, the Company has gradually resumed its manufacturing operations to normal.

However, the recent second wave of Covid-19 has resulted in re-imposition of partial lockdowns/restrictions in various states, which might continue to impact the Company's performance. The Company has taken into account all the possible impacts of COVID-19 including the possible impacts of second wave in preparation of these financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue and cost etc. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statement may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

49 Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(a) Debt equity ratio

Particulars	31 March 2021	31 March 2020
Total borrowings*	49.66	70.47
Total equity	15,495.17	11,887.91
<b>Net debt to equity ratio</b>	<b>0.00</b>	<b>0.01</b>

\* Total borrowings does not include short-term borrowings.

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**Sidwal Refrigeration Industries Private Limited**  
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**(All amount in INR lakh unless stated otherwise)**

**50 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.

**(a) Disaggregation of revenue**

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

Revenue from operations	31 March 2021			
	Sale of products	Sale of services	Other operating revenue	Total
<b>Revenue by geography</b>				
Domestic			248.16	20,051.02
Export	16,448.85	3,354.01	-	5.20
<b>Total</b>	<b>16,454.05</b>	<b>3,354.01</b>	<b>248.16</b>	<b>20,056.22</b>
<b>Revenue by time</b>				
Revenue recognised at point in time				20,056.22
Revenue recognised over time				-
<b>Total</b>				<b>20,056.22</b>

Revenue from operations	31 March 2020			
	Sale of products	Sale of services	Other operating revenue	Total
<b>Revenue by geography</b>				
Domestic			92.20	23,754.51
Export	20,404.28	3,258.03	-	146.30
<b>Total</b>	<b>20,550.58</b>	<b>3,258.03</b>	<b>92.20</b>	<b>23,900.81</b>
<b>Revenue by time</b>				
Revenue recognised at point in time				23,900.81
Revenue recognised over time				-
<b>Total</b>				<b>23,900.81</b>

**(b) Revenue recognised in relation to contract liabilities**

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Description	Year ended 31 March 2021	Year ended 31 March 2020
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	172.90	35.41
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-
<b>Total</b>	<b>172.90</b>	<b>35.41</b>

**(c) Assets and liabilities related to contracts with customers**

Description	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
<b>Contract liabilities</b>				
Advance from customers	-	203.58	-	300.38
<b>Contract assets</b>				
Unbilled revenue	-	649.68	-	1,534.11

During the year ended 31 March 2021, INR 1,534.11 lakhs (previous year: INR 485.98 lakhs) of unbilled revenue has been reclassified to trade receivables upon billing to customers on completion of contractual terms. Subsequently, the receipts from customers has been adjusted against the receivables.

Remaining performance obligations as at the reporting date are expected to be recognised over the next year by the Company.

**(d) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price**

Description	Year ended 31 March 2021	Year ended 31 March 2020
Contract price	20,154.34	23,993.54
Less: Discount, rebates, credits etc.	(98.12)	(92.73)
<b>Revenue from operations as per Statement of Profit and Loss</b>	<b>20,056.22</b>	<b>23,900.81</b>

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**Sidwal Refrigeration Industries Private Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**  
(All amount in INR lakh unless stated otherwise)

**51 Corporate Social Responsibility (CSR):**

The Company has carried forward unspent amount of INR 13.95 lakh from previous year budget which was required to be spent during the current year. The Company has spent INR 13.95 lakh during the current year which has been included in total CSR spend amounting INR 17.52 lakh as disclosed below. During the current year, the Company is required to spend CSR amounting to INR 70.18 lakh on activities in accordance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time. The Board approved the CSR budget of INR 84.14 lakh (previous year: INR 44.21 lakh) on recommendation of CSR Committee to be spent in the Financial Year 2020-21. The details of amount actually spent by the Company during the year are:

**For the year ended 31 March 2021:**

S. No.	Particulars	Amount paid in cash**	Amount yet to be paid in cash	Total
(i)	Contributions to Indian Institute of Technology (IITs), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).	-	-	-
(ii)	Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.	-	-	-
(iii)	Promoting Education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	15.08	-	15.08
(iv)	Contribution to the prime minister's national relief fund [or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;	2.44	-	2.44
	<b>Total CSR spend</b>	<b>17.52</b>	<b>-</b>	<b>17.52</b>
(v)	Unspent amount provided during the current year*	66.62	-	66.62
	<b>Total CSR expenditure</b>	<b>84.14</b>	<b>-</b>	<b>84.14</b>
	Amount transferred to Unspent CSR account as per section 135(6)*	66.62	-	66.62

\*The Company has transferred INR 66.62 lakh on 29 April 2021 to separate CSR account within 30 days from the end of financial year in accordance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. Accordingly, the Company has provided for such unspent CSR amount.

**For the year ended 31 March 2020:**

S. No.	Particulars	Amount paid in cash**	Amount yet to be paid in cash	Total
(i)	Contributions to Indian Institute of Technology (IITs), engaged in conducting	21.00	-	21.00
(ii)	Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.	5.00	-	5.00
	Promoting Education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	4.26	-	4.26
	Unspent amount	13.95	-	13.95
	<b>Total</b>	<b>44.21</b>	<b>-</b>	<b>44.21</b>

\*\*Represents amount paid through bank

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**Sidwal Refrigeration Industries Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**  
**(All amount in INR lakh unless stated otherwise)**

**52 Business combinations**

**Acquisition of Sidwal Technologies**

**a. Summary of acquisition**

The Company had acquired the business of Sidwal Technologies as on 01 May 2019 for purchase consideration of INR 5,515.49 lakh as a going concern on a slump sale basis. This acquisition enabled the Company to expand the business of manufacturing and dealing in bus air conditioning systems with in-house testing facilities to meet international quality standards under demanding weather conditions of the Indian sub-continent.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Particulars	Amount
Cash paid*	5,515.49
<b>Purchase consideration (A)</b>	<b>5,515.49</b>
<b>The assets and liabilities recognised as a result of the acquisition are as follows:</b>	
Property, plant and equipment	151.21
Intangible assets - Technical Knowhow	803.00
Intangible assets - Backlog Contracts	1.80
Inventories	785.58
Trade receivables	375.10
Cash and cash equivalents	291.76
Loans (current)	314.88
Short term provisions	(259.79)
Trade payables	(145.29)
Other current liabilities	(185.61)
<b>Net assets identifiable acquired (B)</b>	<b>2,132.63</b>
<b>Goodwill (A-B)</b>	<b>3,382.86</b>

\*Represents amount paid through bank

Goodwill here represents residual asset value attributable to unidentified intangible assets acquired by acquirer. It was deductible for tax purposes for the financial year ending 31 March 20. Pursuant to a recent tax law amendment, the tax amortisable goodwill has become non-tax amortisable from financial year ending 31 March 2021. The amended law states that goodwill of a business or profession will not be considered as a depreciable asset and no depreciation on goodwill will be allowed from 01 April 2020. The same did not have deferred tax implications.

**b. Consideration transferred**

The acquisition of INR 5,515.49 lakh was settled in cash. There were no legal costs incurred upon acquisition by the Company.

**c. Measurement of fair value of identifiable net assets**

The valuation model for fair valuation of property, plant and equipment considers quoted market prices for similar items when available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence. Intangible assets are fair valued based on the relief-from-royalty method and multi-period excess earnings methods. The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents or trademarks being owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets. Raw materials are fair valued using the replacement cost method of the cost approach. Finished goods and work-in-progress are valued using the comparative sales method of the market approach which uses the actual or expected selling prices of finished goods as the base amount. The fair value of the trade and other receivables acquired as part of the business combination amounted to INR 689.97 lakh, with a gross contractual amount of INR 689.97 lakh. As of the acquisition date, the Company's best estimate of the contractual cash flow not expected to be collected amounted to Nil.

**d. Revenue and profit contribution**

The Company had not disclosed revenue and profit contributed by acquired business due to impracticability of identifying revenue and expenses related to acquired business after acquisition.

If the acquisitions had occurred on 01 April 2019, consolidated pro-forma revenue and profit for the year ended 31 March 2020 would have been INR 24,209.89 lakh and INR 3,531.25 lakh respectively.

(This has been intentionally left blank)



**Sidwal Refrigeration Industries Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**  
**(All amount in INR lakh unless stated otherwise)**

**53 Events after the reporting period**

The Company has evaluated all the subsequent events through 21 May 2021, which is the date on which these standalone financial statements were issued, and no events have occurred from the balance sheet date through that date except for matters that have already been considered in these standalone financial statements.

**54**

The Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity has received presidential assent on 28 September 2020. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be framed. The Company will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Code becomes effective and the related rules are published.

**55 Comparative information**

Previous year amounts have been regrouped/rearranged wherever considered necessary to make them comparable with those of the current year.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
(Firm Registration No. 001076N/N500013)

**Sandeep Mehta**  
Partner  
(Membership No. 099410)



**Place:** Chandigarh  
**Date:** 21 May 2021

For and on behalf of Board of Directors of  
**Sidwal Refrigeration Industries Private Limited**

**Jasbir Singh**  
Director  
(DIN: 00259632)

**Place:** Gurugram  
**Date:** 21 May 2021

**Daljit Singh**  
Director  
(DIN: 02023964)

**Place:** Gurugram  
**Date:** 21 May 2021