N.C. AGGARWAL & CO.
CHARTERED ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT

To
The Members of HINDWARE HOME RETAIL PRIVATE LIMITED

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **HINDWARE HOME RETAIL PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its loss , total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

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 Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rule thereunder, and we have fulfilled our 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 of our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility

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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



- Identify and assess the risks of material misstatement of the 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 internalcontrol.

- Obtain an understanding of internal financial 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because



the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure 'A'** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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

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

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;

(e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure 'B'**.

(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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed pending litigations as on 31st March, 2020 as detailed in Notes34;

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;



(h) The managerial remuneration for the year ended 31st March, 2020 has not paid by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N

G. K. Aggarwal
Partner
M. No. 086622
Place: Gurugram
Date:22nd June,2020
UDIN: 20086622AAAASF8329

ANNEXURE-1 TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in our report of even date to the members of **HINDWARE HOME RETAIL PRIVATE LIMITED (herein after called as "Company")** on the accounts for the year ended March 31, 2020)

1. (a) The Company has not any fixed assets, accordingly, the provisions of clause 3(i) (a), 3(i) (b) of the order are not applicable to the Company and hence not commented upon.

   (c) The Company does not have any immovable property i.e. land in the name of the Company. Therefore, para 3(i)(c) of the order is not applicable to the company.

2. As explained to us, the management during the year has physically verified inventories. In our opinion, the frequency of verification is reasonable and no material discrepancies between physical inventories and book records were noticed on physical verification.

3. According to the information and the explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii) (a), 3(iii) (b) and 3(iii) (c) of the order are not applicable to the Company and hence not commented upon.

4. The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the order are not applicable to the Company and hence not commented upon.

5. According to the information given to us, the Company has not accepted any deposits under the provisions of section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the companies Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.

6. To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (l) of section 148 of the Companies Act, 2013in the respect of the Company's Company products and services. Accordingly, the provisions of clause 3(iv) of the order are not applicable to the company

7. (a) According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods and service tax and cess and other statutory dues with the appropriate authorities. There are no arrears as at March 31, 2020 for a period of more than six months from the date they become payable.



(b) According to the information and explanations given to us, there are no dues in respect of income tax, goods and service tax, duty of customs, which have not been deposited with the appropriate authorities on account of any dispute.

8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not taken loans or borrowing from financial institution, bank, government or issued any debentures. Accordingly, the provisions of clause 3(viii) of the order are not applicable to the company.

9. The Company has not raised any money by way of initial public offer or further public offer or debt instruments or by way of term loans. Accordingly, the provisions of clause 3(ix) of the order are not applicable to the Company and hence not commented upon.

10. According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, we have been informed that no case of frauds has been committed on or by the Company or by its officers or employees during the year.

11. The company has not paid any managerial remuneration under the provisions of section 197 read with Schedule V of the Companies Act 2013. Accordingly, provisions of clause 3 (xi) of the order are not applicable to the Company.

12. The company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13. The Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 w.r.t. transactions with the related parties, where applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with him as covered under Section 192 of the Companies Act, 2013. Accordingly, provisions of clause (xv) of the order are not applicable to the Company.

16. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934. Accordingly, provisions of clause 3 (xvi) of the Order are not applicable to the Company.



For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N

G. K. Aggarwal
Partner
Membership No. 086622
Place: Gurugram
Date:22nd June,2020
UDIN: 20086622AAAASF8329

ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our report of even date to the members of **HINDWARE HOME RETAIL PRIVATE LIMITED** on the accounts for the year ended 31st March, 2020

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

We have audited the internal financial controls over financial reporting of **HINDWARE HOME RETAIL PRIVATE LIMITED** ("the Company") as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of



financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and

procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N

G. K. Aggarwal
Partner
M. No. 086622
Place: Gurugram
Date:22nd June,2020
UDIN: 20086622AAAASF8329

Hindware Home Retail Pvt. Ltd.
Balance sheet as at 31 March, 2020

(₹ in lakhs)

		Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
A		**ASSETS**			
	I	**Non-current assets**			
		(a) Property, plant and equipment	5	-	-
		(b) Financial assets			
		Loans and Advances	6	0.10	0.10
		(c) Other non-current assets		-	-
		Total non-current assets		**0.10**	**0.10**
	II	**Current assets**			
		(a) Inventories	7	49.62	18.77
		(b) Financial assets			
		(i) Trade receivables	8	94.53	109.04
		(ii) Cash and cash equivalents	9	20.50	1.74
		(iii) Bank balances other than (ii) above	10	-	-
		(iv) Loans	11	-	-
		(c) Other current assets	12	132.09	82.80
		Total current assets		**296.74**	**212.35**
		Total assets (I+II)		**296.84**	**212.45**
B		**EQUITY AND LIABILITIES**			
	I	**Equity**			
		(a) Equity Share Capital	13	64.00	64.00
		(b) Other Equity	14	(121.08)	(81.65)
		Total Equity		**(57.08)**	**(17.65)**
		Liabilities			
	II	**Non-current liabilities**			
		(a) Financial Liabilities			
		(i) Borrowings	15	51.24	51.24
		(ii) Other financial liabilities measured at amortised cost	15	33.09	26.82
		(b) Provisions	16	1.40	0.71
		Total non-current liabilities		**85.73**	**78.77**
	III	**Current liabilities**			
		(a) Financial Liabilities			
		(i) Borrowings		-	-
		(ii) Trade payables			
		Due to micro and small enterprise	17	0.81	-
		Due to others		216.92	114.53
		(iii) Other financial liabilities measured at amortised cost	18	-	
		Due to micro and small enterprise		11.96	-
		Due to others		30.80	33.46
		(b) Other current liabilities	19	7.65	3.31
		(c) Current Provisions	20	0.05	0.03
		Total current liabilities		**268.19**	**151.33**
		Total equity and liabilities (I+II+III)		**296.84**	**212.45**

Notes 1 to 37 form an integral part of these financial statements
This is the statement of profit and loss referred to in our report of even date.

For and on behalf of the Board of Directors

For N. C. Aggarwal & Co.
Chartered Accountants
Firm's Registration No. 003273N

N K Goenka
Director
DIN-00060684

Girdhari Lal Sultania
Director
DIN-00060931

G. K. Aggarwal
Partner
Membership No: 086622

N.C. AGGARWAL & CO. * CHARTERED ACCOUNTANTS * NEW DELHI

Place : Gurugram
Date : 22nd June 2020

Hindware Home Retail Pvt. Ltd.

Statement of profit and loss for the year ended 31 March, 2020

(₹ in lakhs)

Particulars		Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I	Revenue from operations	21	865.77	803.25
II	Other income	22	0.88	0.00
III	**Total revenue (I + II)**		**866.65**	**803.25**
IV	**Expenses**			
	Purchases of Stock-in-trade	23	674.84	565.36
	Changes in stock of stock-in-trade	24	(30.84)	(14.14)
	Employee benefits expense	25	10.57	17.11
	Finance costs	26	12.50	5.78
	Depreciation and amortisation expense		-	-
	Other expenses	27	238.77	201.91
	Total expenses (IV)		**905.84**	**776.02**
V	**Profit/(loss) before tax (III - IV)**		**(39.18)**	**27.23**
VI	**Tax expense**			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	(3) Taxes related to earlier years		-	-
	Total tax expense		-	-
VII	**Profit/(loss) after tax (V- VI)**		**(39.18)**	**27.23**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or (loss)			
	Remeasurements of the defined benefit plan		(0.25)	0.06
IX	**Total comprehensive income for the period (VII+VIII)**		**(39.43)**	**27.29**
XI	**Earnings per equity share (of ₹ 10/- each):**			
	Basic and diluted		(6.12)	4.25

Notes 1 to 37 form an integral part of these financial statements

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

For N. C. Aggarwal & Co.
Chartered Accountants
Firm's Registration No. 003273N

G. K. Aggarwal
Partner
Membership No: 086622

N. C. AGGARWAL & CO. * NEW DELHI * CHARTERED ACCOUNTANTS

N K Goenka
Director
DIN-00060684

Girdhari Lal Sultania
Director
DIN-00060931

Place : Gurugram
Date : 22nd June 2020

Hindware Home Retail Pvt. Ltd.

Cash flow statement for the year ended 31 March, 2020

(₹ in lakhs)

	Year ended 31 March, 2020	Year ended 31 March, 2019
CASH INFLOW / (OUTFLOW) FROM THE OPERATING ACTIVITIES		
Net Profit Before Tax	(39.43)	27.23
Adjustments for:		
Finance costs recognised in profit or loss	12.50	5.78
Interest income recognised in profit or loss	-	(0.00)
Provision for doubtful debts and advances	3.09	18.60
	(23.84)	**51.61**
Movements in working capital:		
(Increase)/Decrease in Inventories	(30.84)	(14.14)
(Increase)/Decrease in trade and other receivables	11.42	30.59
(Increase)/Decrease in other assets	(49.29)	(21.93)
Increase/(Decrease) in trade and other payables	116.84	(60.43)
Increase/(decrease) in provisions	0.72	0.07
Movement of Working Capital	**48.85**	**(65.84)**
Cash generated from operations	**25.01**	**(14.23)**
Income taxes paid	-	-
Net cash generated by operating activities	**25.01**	**(14.23)**
Cash flows from investing activities:		
Interest received	-	0.36
Movement in other bank balance	-	1.60
Net cash (used in)/generated by investing activities	**-**	**1.96**
Cash flows from financing activities:		
Interest paid	(6.24)	-
Net cash used in financing activities	**(6.24)**	**-**
Net increase/(decrease) in cash and cash equivalents	**18.77**	**(12.27)**
Cash and cash equivalents (opening balance)	**1.74**	**14.01**
Cash and cash equivalents (closing balance)	**20.50**	**1.74**

Notes 1 to 37 form an integral part of these financial statements

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

For and on behalf of the Board of Directors

N K Goenka
Director
DIN-00060684

Girdhari Lal Sultania
Director
DIN-00060931

For N. C. Aggarwal & Co.
Chartered Accountants
Firm's Registration No. 003273N

N.C. AGGARWAL & CO. * NEW DELHI * CHARTERED ACCOUNTANTS

G. K. Aggarwal
Partner
Membership No: 086622

Place : Gurugram
Date : 22nd June 2020

Hindware Home Retail Pvt. Ltd.
Significant accounting policies and other explanatory information to financial statements for the year ended 31 March, 2020

Note 5- Property , Plant and Equipment **(₹ in lakhs)**

	Particulars	Computer	Total
A	**Gross Block**		
	As at April 01, 2018	**2.61**	**2.61**
	Additions	-	-
	Disposal /Adjustment	-	-
	As at March 31, 2019	**2.61**	**2.61**
	Additions	-	-
	Disposal /Adjustment	-	-
	As at March 31, 2020	**2.61**	**2.61**
B	**Accumulated Depreciation**		
	As at April 01, 2018	**2.61**	**2.61**
	Depreciation charge for the year	-	-
	Disposal /Adjustment	-	-
	As at March 31, 2019	**2.61**	**2.61**
	Depreciation charge for the year	-	-
	Disposal /Adjustment	-	-
	As at March 31, 2020	**2.610**	**2.610**
C	**Net Book Value**		
	As at April 01, 2018	-	-
	As at March 31, 2019	-	-
	As at March 31, 2020	-	-



Hindware Home Retail Pvt. Ltd.

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March, 2020

Note 6 - Non-current Loans

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
a) Security deposits		
Unsecured, considered good	0.10	0.10
Unsecured, considered Doubtful	2.82	2.82
less : Provision against Advance	(2.82)	(2.82)
	0.10	0.10
b) Other bank balances		
Other bank balances	-	-
	-	-
Total Non-current Loans	**0.10**	**0.10**

Note 7 - Inventories

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Stock-in-trade of goods acquired for trading		
At lower of cost or net realisable value	49.62	18.77
Total Inventories	**49.62**	**18.77**

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

Hindware Home Retail Pvt. Ltd.

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March, 2020

Note 8 - Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Trade receivables		
(a) Unsecured, considered good	94.53	109.04
(b) Doubtful	45.43	42.34
	139.96	151.38
Less: Provision for doubtful debts and advances	45.43	42.34
Total Trade Receivables	**94.53**	**109.04**

Note 9 - Cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and bank balances		
Balances with banks in current account	20.50	1.74
Total Cash and cash equivalents	**20.50**	**1.74**

Note 10 - Other bank balances

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed deposits with original maturity of more than three months but less than twelve months	-	-
Total Other bank balances	-	-

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

Hindware Home Retail Pvt. Ltd.
Significant accounting policies and other explanatory information to financial statements for the year ended 31 March, 2020

Note 11 - Current loan

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Interest receivable		
Interest accrued on deposits, loans and advances	-	-
	-	-
Total Current loans	-	-

Note 12 - Other current assets

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Advances other than capital advances		
(i) Prepayments	0.57	0.57
(ii) Advance income tax	0.01	0.21
(iii) Balances with government authorities	66.46	28.60
(iv) Others		
- Advance to supplier		
Considered good	58.68	53.42
Considered doubtful	53.04	53.04
less : Provision against Advance to Vendors	(53.04)	(53.04)
- Other current assets		
Considered good	6.37	-
Considered doubtful	21.34	21.34
less : Provision against Advance to Vendors	(21.34)	(21.34)
Total Current Assets	**132.09**	**82.80**



Note 13- Share Capital (₹ in lakhs)

Share Capital

	As at March 31, 2020	As at March 31, 2019
Authorised :		
50,000,000 (31st March 2019- 50,000,000 ; 31st March 2018-50,000,000) equity shares of Rs. 10 each	5,000.00	5,000.00
9,000,000 (31st March 2019- 9,000,000 ; 31st March 2018-7,500,000) 0% non cumulative redeemable preference shares of Rs. 100 each	9,000.00	9,000.00
	14,000.00	**14,000.00**
Issued		
640,000 (31st March 2019-640,000 ; 31st March 2018 640,000) equity shares of Rs. 10 each	64.00	64.00
179,800 (31st March 2019-179,800; 31st March 2018-125,800) 0% non cumulative redeemable preference shares of Rs. 100 each	179.80	179.80
	243.80	**243.80**
Subscribed and paid up		
640,000 (31st March 2019-640,000 ; 31st March 2018 640,000) equity shares of Rs. 10 each	64.00	64.00
179,800 (31st March 2019-179,800; 31st March 2018-125,800) 0% non cumulative redeemable preference shares of Rs. 100 each	179.80	179.80
	243.80	**243.80**
Less : Reclassification	**(179.80)**	**(179.80)**
Equity share capital	**64.00**	**64.00**

(a) Reconciliation of share outstanding at the beginning and at the end of reporting year

i) Equity shares

	March 31, 2020		March 31, 2019	
Particulars	**Number of Shares**	**(₹ in lakhs)**	**Number of Shares**	**(₹ in lakhs)**
Shares outstanding at the beginning of the year	6,40,000	64.00	6,40,000	64.00
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**6,40,000**	**64.00**	**6,40,000**	**64.00**

(ii) Preference shares

	March 31, 2020		March 31, 2019	
Particulars	**Number of Shares**		**Number of Shares**	**(₹ in lakhs)**
Shares outstanding at the beginning of the year	1,79,800	179.80	1,79,800	179.80
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**1,79,800**	**179.80**	**1,79,800**	**179.80**

(b) Shares held by the holding Company*

	March 31, 2020		March 31, 2019	
Particulars	**Number of Shares**	**(₹ in lakhs)**	**Number of Shares**	**(₹ in lakhs)**
Equity shares of Rs. 10 each				
Somany Home Innovation Limited (including nominees)	6,40,000	64.00	6,40,000	64.00
0% Non cumulative redeemable preference shares of Rs 100 each				
Somany Home Innovation Limited	1,79,800	179.80	1,79,800	179.80

(c) Details of shareholders holding more than 5% of the share capital of the Company at the beginning and at the end of the reporting year

	March 31, 2020		March 31, 2019	
Particulars	**Number of Shares**	**% of Shares**	**Number of Shares**	**% of Shares**
Equity shares of Rs. 10 each				
Somany Home Innovation Limited (including nominees)	6,40,000	100.00	6,40,000	100.00
0% Non cumulative redeemable preference shares of Rs 100 each				
Somany Home Innovation Limited	1,79,800	100.00	1,79,800	100.00

In pursuant to the demerger of HSIL Limited on account of order vide dated 05th August'2019 by the Honourable High Court of Kolkata, the shares of the Company now stands transferred in the name of Somany Home Innovation Limited



(d) Terms and rights attached to shares

i) Equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Shareholder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

ii) 0% Non cumulative redeemable preference shares

The rights and restrictions attached to the redeemable preference shares differ from those attached to equity shares as follows:

(a) The redeemable preference shares will have preference to receive dividend. The holders of 0% non cumulative redeemable preference shares have no rights to receive notices of, attend or vote at general meetings except in certain limited circumstances.

(b) On the distribution of the assets of the Company, on winding up or other return of the capital (subject to certain exceptions), the holders of redeemable preference share have priority over the holders of equity shares to receive the capital paid up on those shares.

(c) 40,000 Preference shares issued dated 31st March 2012 are redeemable at par at any time after giving subscriber a notice of redemption, on or before 31st March 2027.

(d) 45,800 Preference shares issued dated 30th March 2013 are redeemable at par at any time after giving subscriber a notice of redemption, on or before 30th March 2028.

(e) 40,000 Preference shares issued dated 28th March 2014 are redeemable at par at any time after giving subscriber a notice of redemption, on or before 28th March 2029.

(f) 16,000 Preference shares issued dated 30th June 2015 are redeemable at par at any time after giving subscriber a notice of redemption, on or before 30th June 2035.

(g) 24,000 Preference shares issued dated 17th December 2015 are redeemable at par at any time after giving subscriber a notice of redemption, on or before 17th December 2035.

(h) 14,000 Preference shares issued dated 23rd March 2016 are redeemable at par at any time after giving subscriber a notice of redemption, on or before 23rd March 2036.

(e) No shares have been issued pursuant to contract without payment being received in cash, allotted as fully paid-up shares by way of bonus issues nor has any bought back of shares happened during the period of five years immediately preceding the reporting date.



Hindware Home Retail Pvt. Ltd.

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March, 2020

Note 14 - Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus				Items of other comprehensive Income	Total
	Equity component of compound financial instruments	Securities premium reserve	Capital reserve	Retained earnings	Re-measurement of the net defined benefit Plans	
Balance as at 01 April 2018	128.56	42.00	(57.40)	(225.82)	3.72	(108.94)
Profit for the year	-	-	-	27.23	0.06	27.29
Other comprehensive income for the year	-	-	-		-	-
Total comprehensive income for the year	-	-	-	27.23	0.06	27.29
Addition during the year	-	-	-	0.09	(0.09)	-
Balance as at 31 March 2019	128.56	42.00	(57.40)	(198.50)	3.69	(81.65)
Profit for the year	-	-	-	(39.18)	(0.25)	(39.43)
Other comprehensive income for the year	-	-	-			-
Total comprehensive income for the year	-	-	-	(39.18)	(0.25)	(39.43)
Addition during the year	-	-	-			-
Balance as at 31 March 2020	128.56	42.00	(57.40)	(237.69)	3.45	(121.08)

Note:

1. Equity component of compound financial instruments represents the equity component of 0% non cummulative redeemable preference shares.
2. Securities premium reserve : represents the amount received in excess of par value of securities.
3. Capital reserve : The capital reserve was generated on de-merger with HSIL Limited
4. Retained earnings : represents the undistributed profits/losses of the company
5. Other Comprehensive Income : represents the balance in equity for items to be accounted in Other Comprehensive Income.



Hindware Home Retail Pvt. Ltd.

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March, 2020

Note 15 - Non current borrowings

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Measured at amortised cost		
Un Secured borrowings:		
(i) Loan component of compound financial instruments	51.24	51.24
(ii) Other long term liabilities*	33.09	26.82
Total borrowings carried at amortised cost	**84.33**	**78.06**
Tota Non current borrowings	**84.33**	**78.06**

** Interest payble on loan component of compound financial instruments*

Note 16- Non current provisions

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Long-term employee benefits		
Provision for compensated absence	0.56	0.28
Provision for gratuity	0.84	0.43
Total Non current provisions	**1.40**	**0.71**

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Hindware Home Retail Pvt. Ltd.

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March, 2020

Note 17 - Trade payables

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Creditors for supplies		
-Dues of micro enterprise and small enterprises	0.81	-
-Dues other than micro enterprise and small enterprises	216.91	114.53
Total Trade payables	**217.72**	**114.53**

Note - 18 Other current financial liability

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Payable to employees	1.42	3.32
Due to micro and small enterprise	11.96	
Due to others	29.39	30.14
Total Other current financial liabilities	**42.77**	**33.46**

Note 19- Other Current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Advances		
- Advances received from customers	0.18	2.17
(b) Others		
- Statutory dues	7.47	1.14
Total Other Current liablities	**7.65**	**3.31**

Note 20 - Current provisions

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
short-term employee benefits		
Provision for compensated absence	0.03	0.02
Provision for gratuity	0.02	0.01
Total Current provisions	**0.05**	**0.03**

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Hindware Home Retail Pvt. Ltd.

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March, 2020

Note 21 Revenue from operations

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Revenue from sale of goods	865.77	803.25
Total Revenue from operations	**865.77**	**803.25**

Note 22 Other income

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income		
On financial assets at amortised cost	0.02	0.03
Liabilities no longer required written Back	0.01	0.04
Other Miscellaneous income	0.85	(0.07)
Total Other income	**0.88**	**0.00**

Note 23 : Purchases of traded goods

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Purchase of Traded Goods	674.84	565.36
Total Purchase of traded goods	**674.84**	**565.36**

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

Hindware Home Retail Pvt. Ltd.

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March, 2020

Note 24 - Changes in inventories of stock-in-trade

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Inventories at the end of the year:		
Stock-in-trade	49.62	18.77
	49.62	**18.77**
Inventories at the beginning of the year:		
Stock-in-trade	18.77	4.63
	18.77	**4.63**
Change in stock	**(30.84)**	**(14.14)**

Note 25 - Employee benefits expense

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages, including bonus	10.03	13.65
Contribution to provident and other funds	0.50	0.47
Staff welfare expenses	0.04	2.99
Total Employee benefit expenses	**10.57**	**17.11**

Note 26 - Finance cost

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expenses	12.50	5.78
Total Finance cost	**12.50**	**5.78**

Analysis of interest expenses by category (₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expenses		
(a) On Financial Liability at Amortised Cost	12.50	5.78

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

Hindware Home Retail Pvt. Ltd.
Significant accounting policies and other explanatory information to financial statements for the year ended 31 March, 2020

Note 27 - Other expenses

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Repairs and maintenance:		
Rent (including hire charges)	-	2.21
Rates and taxes	3.17	0.22
Insurance	0.83	0.41
Travelling and conveyance	0.19	0.18
Advertisement and publicity	184.85	155.64
Provision for doubtful debts and advances	3.09	18.60
Legal and professional expenses	12.18	16.87
Miscellaneous expenses	34.45	7.79
Total Other expenses	**238.77**	**201.91**

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Hindware Home Retail Private Limited
Significant Accounting Policies and Notes of Financial Statement for the year ended 31 March 2020

1. Corporate and General Information

Hindware Home Retail Private Limited (the 'Company') is a private Limited Company incorporated in India under the Companies Act 1956.The Company is engaged in retail business of furniture, modular kitchen, home decor and home furnishing through online channel and also engaged in institutional sales on pan India basis.

2. Basis of preparation

The financial statements have been prepared complying in all material respects with the Indian accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2015. The financial statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.

The significant accounting policies used in preparing the financial statements are set out in Note no.3 of the Financial Statements.

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no.4 on critical accounting estimates, assumptions and judgements).

3.0 Significant Accounting Policies

3.1 Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except for certain financial assets and financial liabilities that are measured at fair value at the end of each reporting period, as stated in the accounting policies set out below.

3.2 Property, Plant and Equipment

For transition to Ind AS, the Company has elected to continue with the carrying value of previous GAAP for all its tangible assets as of 1 April 2015 (transition date) and use that carrying value as its deemed cost on transition date.

Depreciation on fixed assets has been provided as per guidance set out in Schedule II of the Act on straight line method using the under mentioned indicative lives.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

3.3 Impairment of non-current assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use).The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

3.4 Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.



3.5 Inventories

Traded goods including material in transit are valued at lower of cost and net realisable value. Cost includes cost of purchase, freight and other related incidental expenses incurred in bringing the inventory to its present condition and location and is arrived at on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost to affect the sale.

3.6 Employee benefits

a) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.

b) Leave encashment being a short term benefit is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.

c) Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

d) The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in statement of profit and loss.

3.7 Foreign currency reinstatement and translation

(a) Functional and presentation currency

These financial statements have been presented in Indian Rupees, which is the Company's functional and presentation currency.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange difference recognised in profit or loss. Differences arising on settlement of monetary items are also recognised in profit or loss. Appendix B to Ind AS 21 on foreign currency transactions and advance consideration determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts

3.8Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Assets

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

N.C. AGGARWAL & CO. CHARTERED ACCOUNTANTS NEW DELHI

Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.

For foreign currency trade receivable, impairment is assessed after reinstatement at closing rates.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

b) Financial Liabilities

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss.

i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading or it is designated as at FVTPL. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

ii. Financial liabilities measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.



3.9 Compound financial instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

3.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.11 Taxation

Income tax expense represents the sum of current and deferred tax.
Current tax is determined higher of the amount of tax payable calculated at the tax rates applicable to the relevant assessment year on the assessable income of the respective year or tax payable on book profits computed in accordance with the provisions of section 115JB of the Income-tax Act, 1961.

Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable/virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax asset to the extent it pertains to unabsorbed business loss/depreciation is recognised only to the extent that there is virtual certainity of realisation based on convincing evidence, as evaluated on a case to case basis.

3.12 Revenue recognition and other operating income

Sale of Goods
Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of the goods have been transferred to the customer and when no significant uncertainty exists regarding the amount of consideration that will be derived. Sales are stated exclusive of sales tax, trade discounts and sales return, wherever applicable.

Sale of services
Revenue from services is recognised as and when services are rendered.

Interest income
Interest income is recognised on a time proportion basis for the amount outstanding and at the applicable rates.

Revenue From Contract As Per Ind As-115

This Standard establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Revenue is recognised when a customer obtains control of a promised good or service

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3.13 Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.14 Provisions and contingencies

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).
When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

3.15 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Company II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.



A liability is classified as current when:

a) It is expected to be settled in normal operating cycle,
b) It is held primarily for the purpose of trading,
c) It is due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

3.16 Recent accounting development

Standards issued but not yet effective:

Ind AS 116 was notified by Ministry of Corporate Affairs on March 30, 2019 and it is applicable for annual reporting periods beginning on or after April 1, 2019.

Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased term) and a financial liability to pay rentals for virtually all leases contracts. An optional exemption exists for short-term and low-value assets.

The statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.

Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under Ind AS 116, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

4. Significant accounting estimates, assumptions and judgements

The preperation of the Company's financial statements requires management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.
The management has made the following estimates,assumptions and judgements, which have significant effect on the amounts recognised in the financial statement:

(a) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

N.C. AGGARWAL & CO. * CHARTERED ACCOUNTANTS * NEW DELHI

(b) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.
Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

28. Financial risk management

28.1 Financial risk factors

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Company's activities expose it to a variety of financial risks:

i) Market.risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other risk which is equity price risk and commodity risk.The Company is not exposed to the aforesaid risk as the Company does not have any transactions in foreign currency and its borrowings accounted for on account of preference capital is at fixed rate of interest.

ii) Credit risk
Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

iii) Liquidity risk.
Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial and other financial instruments.

- Trade Receivables

  The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored .The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The ageing of trade receivables is as follows :

(₹ in lakhs)

Particulars	Not due	Due Ageing			Total
		upto 6 months	6 to 12 months	Above 12 months	
Trade Receivables					
As at March 31, 2020					
Unsecured	-	64.55	29.98	-	94.53
Doubtful				45.43	45.43
Less: Provision for Doubtful Debts	-	-	-	(45.43)	(45.43)
Net Trade Receivables	**-**	**64.55**	**29.98**	**-**	**94.53**

N.C. AGARWAL & CO. * CHARTERED ACCOUNTANTS * NEW DELHI

As at March 31, 2019					
Unsecured	-	95.07	13.97	-	109.04
Doubtful				42.34	42.34
Less: Provision for Doubtful Debts	-	-	-	(42.34)	(42.34)
Net Trade Receivables	**-**	**95.07**	**13.97**	**-**	**109.04**

Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. In case of temporary short fall in liquidity to repay the bank borrowing/operational short fall , the Company uses mix of capital infusion and borrowing from its head office. However, the Company envisage that such short fall is temporary and the Company would generate sufficient cash flows as per approved projections.

The table below provides undiscounted cash flows towards non-derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Trade Payable Ageing and other Liability

(₹ in lakhs)

Particulars	Ageing as at 31st March 2020					
	Carrying Amount	On Demand/Overdue	<6 Months	6 to 12 months	>1 Years	Total
Interest bearing borrowings	51.24	-	-	-	51.24	51.24
Trade payables	217.72	-	217.72	-	-	217.72
Other Financial Liabilities	75.86	-	16.28	25.61	33.97	75.86
Total	**344.82**	**-**	**234.00**	**25.62**	**85.21**	**344.82**

(₹ in lakhs)

Particulars	Ageing as at 31st March 2019					
	Carrying Amount	On Demand/Overdue	<6 Months	6 to 12 months	>1 Years	Total
Interest bearing borrowings	51.24	-	-	-	51.24	51.24
Trade payables	98.55	-	98.44	0.11	-	98.55
Other Financial Liabilities	76.27	-	46.83	1.42	28.02	76.27
Total	**226.06**	**-**	**145.27**	**1.53**	**79.26**	**226.06**

Capital risk management

The Company does not have any Long-Term Debt (except Debt portion of Preference Share Capital), hence the company is not exposed to Capital Risk.

N.C. AGGARWAL & CO. * CHARTERED ACCOUNTANTS * NEW DELHI

Hindware Home Retail Private Limited
Significant Accounting Policies and Notes of Financial Statement for the year ended 31 March 2020

29. Fair value of financial assets and liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements

Fair value of financial assets and liabilities

(₹ in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets designated at amortised cost				
Fixed deposits with banks	-	-	-	-
Cash and Cash Equivalents	20.50	20.50	1.74	1.74
Trade & other receivables	94.53	94.53	109.04	109.04
Loan	0.10	0.10	0.10	0.10
	115.13	**115.13**	**110.88**	**110.88**
Financial liabilities designated at amortised cost				
Borrowings	51.24	51.24	51.24	51.24
Trade & other payables	217.72	217.72	98.55	98.55
Other financial liabilities	75.86	75.86	76.27	76.27
	344.82	**344.82**	**226.06**	**226.06**

Fair Valuation techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
The following methods and assumptions were used to estimate the fair values:

1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The Company has fixed rate of interest for borrowings in preference capital.

Fair Value hierarchy

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).



When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

30. Segment information

The Company is engaged in the business of "Online trade" which is considered to be the only reportable business segment. The Company only operates in India and therefore does not have geographical segments.

31. Deferred tax assets on losses and unabsorbed depreciation and other timing differences have not been accounted for in the books, since it is not reasonably certain whether in future there will be sufficient taxable income against which such deferred tax assets can be utilised.

32. Retirement benefit obligations

32.1. Expense recognised for Defined Contribution plan

Expense recognised for Defined Contribution Plan (₹ in lakhs)

Particulars	For the year ended March 31,2020	For the year ended March 31,2019
Company's Contribution to Provident Fund	0.49	0.47
Company's Contribution to ESI	-	-
Total	**0.49**	**0.47**

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the Balance Sheet as of March 31, 2018 and March 31, 2017, being the respective measurement dates:

32.2 Movement in obligation

a.) Gratuity

(₹ in lakhs)

Particulars	Gratuity (unfunded) as on 31.03.2020	Gratuity (unfunded) as on 31.03.2019
Present value of the obligation at the beginning of the year	0.44	0.39
Interest cost	0.03	0.03
Current service cost	0.13	0.08
Benefits paid	0.00	0.00
Acquisitions / Transfer in/ Transfer out	0.00	0.00
Remeasurements - actuarial loss/ (gain)	0.25	-0.06
Present value of the obligation at the end of the year	0.86	0.44

b.) Leave Encashment (Compensated Absence)

(₹ in lakhs)

Particulars	Leave Encashment (unfunded) as on 31.03.2020	Leave Encashment (unfunded) as on 31.03.2019
Present value of the obligation at the beginning of the year	0.30	0.27
Interest cost	0.02	0.02
Current service cost	0.11	0.07
Benefits paid	0.00	0.04

N.C. AGGARWAL & CO. CHARTERED ACCOUNTANTS NEW DELHI

Acquisitions / Transfer in/ Transfer out	0.00	0.00
Remeasurements - actuarial loss/ (gain)	0.16	-0.01
Present value of the obligation at the end of the year	0.59	0.30

32.3 Movement in Plan Assets – Gratuity

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Fair value of plan assets at beginning of year	-	-
Expected return on plan assets	-	-
Employer contributions	-	-
Benefits paid	-	-
Amount received on redemption of plan assets	-	-
Acquisitions / Transfer in/ Transfer out	-	-
Actuarial gain / (loss)	-	-
Fair value of plan assets at end of year	-	-
Present value of obligation	0.86	0.44
Net funded status of plan Assets / (Liab)	-0.86	-0.44
Actual return on plan assets	-	-

The components of the gratuity & leave encashment cost are as follows:

32.4 Recognised in profit and loss

a.) Gratuity

(₹ in lakhs)

Particulars	For the year ended on 31st March 2020	For the year ended on 31st March 2019
Current Service cost	0.13	0.08
Interest cost	0.03	0.03
Expected return on plan assets	-	-
Remeasurement - Acturial loss/(gain)	0.25	-0.06
Past service cost	-	-
Expenses recognised in P&L A/c	0.41	0.05
Actual return on plan assets	-	-

b.) Leave Encashment (Compensated Absence)

(₹ in lakhs)

Particulars	For the year ended on 31st March 2020	For the year ended on 31st March 2019
Current Service cost	0.11	0.07
Interest cost	0.02	0.02
Expected return on plan assets	-	-
Remeasurement - Acturial loss/(gain)	0.16	-0.01
Past service cost	-	-
Expenses recognised in P&L A/c	0.29	0.07

32.5 Recognised in other comprehensive income

(₹ in lakhs)

Gratuity	For the year ended on 31st March 2020	For the year ended on 31st March 2019
Remeasurement - Acturial loss/(gain)	0.25	-0.06

N.C. AGGARWAL & CO. * CHARTERED ACCOUNTANTS * NEW DELHI

32.6 The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below:

Weighted average actuarial assumptions	As of 31st March, 2020	As of 31st March, 2019
Attrition rate		
Discount Rate	6.80%	7.65%
Expected Rate of increase in Compensation levels	5.50%	5.50%
Expected Rate of Return on Plan Assets	0.00%	0.00%
Mortality rate	IALM 2012-14 Ultimate Mortality Table	IALM 2006-08 Ultimate Mortality Table
Expected Average remaining working lives of employees (years)	27.81	28.81

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market. Same assumptions were considered for comparative period i.e. 2017-18 as considered in previous IND AS.

32.7 Sensitivity analysis:

a.) Gratuity (₹ in lakhs)

Particulars	Change in Assumption	Effect for the year 31st March, 2020	Effect for the year 31st March, 2019
Discount rate	+0.50%	-0.07	-0.04
	-0.50%	0.08	0.04
Salary Growth rate	+0.50%	0.08	0.04
	-0.50%	-0.08	-0.04

b.) Leave Encashment (Compensated Absence) (₹ in lakhs)

Particulars	Change in Assumption	Effect for the year 31st March, 2020	Effect for the year 31st March, 2019
Discount rate	+0.50%	-0.05	-0.03
	-0.50%	0.06	0.03
Salary Growth rate	+0.50%	0.06	0.03
	-0.50%	-0.05	-0.03

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

32.8 History of experience adjustments is as follows:

(₹ in lakhs)

Particulars	Gratuity	Leave Encashment
For the year ended March 31, 2020		
Plan Liabilities - (loss)/gain	-	-
Plan Assets - (loss)/gain	-	-
For the year ended March 31, 2019		
Plan Liabilities - (loss)/gain	**0.01**	0.02
Plan Assets - (loss)/gain	-	-

N.C. AGGARWAL & CO. CHARTERED ACCOUNTANTS NEW DELHI

Hindware Home Retail Private Limited
Significant Accounting Policies and Notes of Financial Statement for the year ended 31 March 2020

Statement of Employee benefit provision

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Gratuity	**0.86**	0.44
Compensated absences	**0.59**	0.30
Other employee benefits	**-**	-
Total	**1.45**	0.74

Estimate of expected Benefit Payments (In absolute terms i.e. undiscounted)

(₹ in lakhs)

Particulars	Gratuity	Leave Encashment
01 Apr 2020 to 31 Mar 2021	**0.02**	**0.03**
01 Apr 2021 to 31 Mar 2022	**0.02**	**0.01**
01 Apr 2022 to 31 Mar 2023	**0.02**	**0.01**
01 Apr 2023 to 31 Mar 2024	**0.02**	**0.01**
01 Apr 2024 to 31 Mar 2025	**0.02**	**0.01**
01 Apr 2025 to 31 Mar 2026	**0.02**	**0.01**
01 Apr 2026 onwards	**0.75**	**0.50**

32.9 Statement of Employee benefit provision

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Gratuity	0.86	0.44
Compensated absences	0.59	0.30
Other employee benefits	-	-
Total	**1.45**	**0.74**

The following table sets out the unfunded status of the plan and the amounts recognised in the Company's balance sheet.

32.10 Current and non-current provision for Gratuity and leave encashment

(₹ in lakhs)

Particulars	Gratuity	Leave Encashment
For the year ended March 31, 2020		
Current provision	0.02	0.03
Non current provision	0.84	0.56
Total Provision	**0.86**	**0.59**
For the year ended March 31, 2019		
Current provision	0.01	0.02
Non current provision	0.43	0.28
Total Provision	**0.44**	**0.30**

33. Auditors Remuneration

(₹ in lakhs)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Statutory Auditors		
a) Audit Fees	1.00	1.00
b) Professional Fee	-	0.30
c) Tax Audit Fees	0.75	0.75
Total	**1.75**	**2.05**

N.C. AGGARWAL & CO. * NEW DELHI * CHARTERED ACCOUNTANTS

Hindware Home Retail Private Limited
Significant Accounting Policies and Notes of Financial Statement for the year ended 31 March 2020

34. Contingent liabilities

Contingent liability not provided for in respect of: (₹ in lakhs)

Sr.No.	Company	State	Financial Year	Act	Authority	Brief Fact	Total Demand	Pre-Deposit	Net Demand
1	HHRPL	Kerala	2016-17	CST Act	Sales Tax Officer	Non submission of Form F for Stock Transfer out	5.84	-	5.84
2	HHRPL	Maharashtra	2012-13	VAT Act	Sales Tax Officer, Kalyan	Assessment order dt.19.01.2019 received under MH VAT Act for rejection of ITC claim	38.54	1.81	36.73
3	HHRPL	Maharashtra	2012-13	CST Act	Sales Tax Officer, Kalyan	Assessment order dt.19.01.2019 received under MH CST Act for not considering Form F against branch transfer	134.04	8.54	125.49
4	HHRPL	Haryana	2016-17	Haryana Vat		Ex party assessment given monthly tax deposited is not considered	266.24	-	266.24
5	HHRPL	Haryana	2016-17	Haryana Cst		Ex party assessment given Form "F" is not considered	403.97	-	403.97
6	HHRPL	Haryana	2017-18	Haryana Vat		Amount of input tax reversal	7.21	-	7.21
7	HHRPL	Haryana	2017-18	Haryana Cst		Amount of form "F" Pending verification	9.83	-	9.83
8	HHRPL	Delhi	2014-15, 2015-16, 2016-17	Delhi Vat		Mis Match	9.17	-	9.17
	Total						**874.84**	**10.35**	**864.49**

35. Related party transactions

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are:

Related party name and relationship

1. Holding Company **Somany Home Innovation Limited #**

(₹ in lakhs)

Particulars	2019-20	2018-19
Transactions with Holding Company	**652.83**	**536.40**
Purchase of Goods	646.57	530.61
Interest on loan component of compound financial instrument	6.26	5.78

Outstanding Balances

(₹ in lakhs)

Particulars	2019-20	2018-19
Amount Payable to holding Company towards	**221.72**	**176.62**
Loan component of compounded financial instruments	51.24	51.24
Interest payable	33.09	26.82
Other payable	137.39	98.55

In pursuant to the demerger of HSIL Limited on account of order vide dated 05th August'2019 by the Honourable High Court of Kolkata, the shares of the Company now stand transferred in the name of Somany Home Innovation Limited

N.C. AGGARWAL & CO. * CHARTERED ACCOUNTANTS * NEW DELHI

Hindware Home Retail Private Limited
Significant Accounting Policies and Notes of Financial Statement for the year ended 31 March 2020

36. Earnings per share

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Issued Equity Shares (nos)	640000	640000
Weighted average shares outstanding-Basic and Diluted (nos)	640000	640000
Profit / (loss) for the year attributable to owners of the Company (₹ in lacs)	(39.18)	27.23
Weighted average number of equity shares (nos.)	640000	640000
Earnings per share from continuing operations - basic and diluted (₹)	(6.12)	4.25

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.
The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.

37. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

Notes 1 to 37 form an integral part of these financial statements.
In terms of our report attached.

For and on behalf of the Board of Directors

For N. C. Aggarwal & Co.
Chartered Accountant
Firm's Registration No.003273N

G. K. Aggarwal
Partner
Membership No: 086622
Place :Gurugram
Date : 22nd June 2020

N.K. Goenka
Director
DIN-00060684

Girdhari Lal Sultania
Director
DIN-00060931