LODHA
& CO
Chartered Accountants

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**Independent Auditor's Report**

**To The Members of**

**Hintastica Private Limited**

Report on Audit of Standalone Financial Statements

**Opinion**

We have audited the accompanying standalone financial statements of Hintastica 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 Statement of Cash Flows for the period then ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements ").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the companies Act, 2013 (" the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Standalone 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 Standalone 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider

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whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

**Responsibility of Management for the Standalone 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 standalone 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 and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the 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 internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies

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Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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.

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 inter1nal 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.

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.

**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 Companies Act,2013 we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the companies Act, 2013, based on our audit, 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 Changes in Equity and the Cash Flows Statement dealt with by this Report are in agreement with the books of account.

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

e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act; In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 197 of the act is not applicable to the company since no managerial remuneration is paid / provided.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company did not have any pending litigation, the impact of which is required to be disclosed / to be provided for in financial statements;

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

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

**For LODHA & CO.**
Chartered Accountants
Firm Registration No. : 301051E




(N. K. Lodha)
Partner
Membership No. 085155
UDIN No.20085155AAAACY5795
Place: New Delhi
Date: 22nd June 2020

**Annexure – A to the Independent Auditor's Report**

The Annexure referred to in Independent Auditors' Report to the members of the **Hintastica Private Limited** on the financial statements for the year ended 31st March 2020, we report that:

(i) The Company does not hold any property, plant and equipment. Accordingly, clause 3 (i) of the Order is not applicable.

(ii) As per the information and explanation given to us, the Company does not have any inventory and hence reporting under clause (ii) of paragraph 3 of the Order is not applicable.

(iii) According to the records and information and explanation made available to us, the Company has not granted any loans to the parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'), hence other parts of this clause are not applicable.

(iv) According to the information, explanations and representations provided by the management and based upon audit procedures performed, the company has not granted any loans, investments, guarantees and security; accordingly, the provision of clause 3(iv) of the order are not applicable.

(v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and relevant rules, hence, we do not offer any comment on the same. Further, we have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard.

(vi) According to the information and explanations given to us, maintenance of cost records has not been prescribed by the central government under Section 148(1) of the Act for the Company, as Company is not engaged in production/service activities where such section of the Act is applicable. Accordingly, the provisions of clause 3(vi) of the order are not applicable.

(vii)

(a) According to the records of the company, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, goods and services tax, cess and other material statutory dues, with the appropriate authorities to the extent applicable and there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31st March 2020.

(b) According to the records and information & explanations given to us, there are no dues in respect of income tax, sales tax, custom duty, service tax, goods and services tax, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanation given to us, The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence, reporting under clause (viii) of the Order is not applicable to the Company.

LODHA & CO. New Delhi Chartered Accountants

(ix) On the basis of information and explanations given to us, The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during period under audit. According, the provision of clause 3(ix) of the orders are not applicable.

(x) Based on the audit procedures performed and on the basis of information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year covered by our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid / provided for any managerial remuneration under the provisions of Section 197 of the Companies Act, 2013. Accordingly, clause 3(xi) of the Order is not applicable on the Company.

(xii) On the basis of information and explanation given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3 (xii) of the said order is not applicable.

(xiii) In respect of transactions with related parties, the Company has complied provisions of section 188 of the Act wherever applicable. Necessary disclosures relating to related party transactions have been made in the financial statements as required by the applicable accounting standard.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For LODHA & CO.**
Chartered Accountants
Firm Registration No. : 301051E




(N. K. Lodha)
Partner
Membership No. 085155
Place: New Delhi
Date: 22nd June 2020

**Annexure – B to the Auditors' Report**

**Report on the Internal Financial Controls Over Financial Reporting 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 Hintastica 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 Board of director 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 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 Institute of Chartered Accountants of India. 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 or error.

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



**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 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, to the best of our information and according to the explanations given to us, 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 considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For LODHA & CO.**
Chartered Accountants
Firm Registration No. : 301051E




(N. K. Lodha)
Partner
Membership No. 085155
Place: New Delhi
Date: 22nd June 2020

**Hintastica Private Limited**
**Standalone Balance sheet as at 31 March 2020**

(₹)

| Particulars | Note | As at 31 March 2020 |
|---|---|---|
| **ASSETS** | | |
| 1 **Non-current assets** | | - |
| **Total non-current assets** | | - |
| 2 **Current assets** | | |
| (a) Financial assets | | |
| (i) Cash and cash equivalents | 4 | 19,75,778 |
| (b) Other current assets | 5 | 8,355 |
| **Total current assets** | | **19,84,133** |
| **Total assets** | | **19,84,133** |
| **EQUITY AND LIABILITIES** | | |
| 1 **Equity** | | |
| (a) Equity share capital | 6 | 20,00,000 |
| (b) Other equity | | (2,30,505) |
| **Total equity** | | **17,69,495** |
| 2 **Liabilities** | | |
| **Non-current liabilities** | | - |
| **Total non-current liabilities** | | - |
| **Current liabilities** | | |
| (a) Financial liabilities | | |
| (i) Other financial liabilities | 7 | 2,07,538 |
| (b) Other current liabilities | 8 | 7,100 |
| **Total current liabilities** | | **2,14,638** |
| **Total liabilities** | | **2,14,638** |
| **Total equity and liabilities** | | **19,84,133** |

Notes 1 to 17 form an integral part of these financial statements.
In terms of our report attached.

For **Lodha & Co**
Chartered Accountants
Firm Registration No.: 301051E

LODHA & CO. New Delhi Chartered Accountants

**N. K. Lodha**
Partner
M. No. 85155
Place : New Delhi
Date : 22 June 2020

**For and on behalf of the Board of Directors**

**Sandip Somany**
Director
DIN: 00053597

**Rakesh Kaul**
Director
DIN: 08560772

**Place** : Gurugram
Date : 22 June 2020

**Hintastica Private Limited**

**Standalone statement of profit and loss for the period from 14 Nov 2019 to 31 March 2020**

(₹)

| | Particulars | Note | Year ended 31 March 2020 |
|---|---|---|---|
| I | Revenue from operations | | |
| II | Other income | | |
| **III** | **Total income** | | - |
| **IV** | **Expenses** | | |
| | Other expenses | 9 | 2,30,505 |
| | **Total expenses** | | **2,30,505** |
| **V** | **Profit / (Loss) before exceptional items and tax** | | **(2,30,505)** |
| **VI** | **Exceptional items** | | - |
| **VII** | **Profit / (Loss) before tax** | | **(2,30,505)** |
| **VIII** | **Tax expense** | | |
| | (1) Current tax | | - |
| | (2) Deferred tax | | - |
| | **Total tax expense** | | - |
| **IX** | **Profit/ (Loss) for the period** | | **(2,30,505)** |
| **X** | **Other comprehensive income** | | |
| | (i) Items that will not be reclassified to profit or loss | | |
| | (a) Remeasurements of the defined benefit plan | | - |
| | (b) Changes in fair value of equity instruments through other comprehensive income | | - |
| | (ii) Income-tax relating to these items | | - |
| | **Other comprehensive income, net of tax** | | - |
| **XI** | **Total comprehensive income for the period** | | **(2,30,505)** |
| | **Earnings per equity share (of ₹ 10/- each):** | | |
| | Basic and diluted | 10 | **(1.15)** |

Notes 1 to 17 form an integral part of these financial statements.
In terms of our report attached.

For **Lodha & Co**
Chartered Accountants
Firm Registration No.: 301051E

**N. K. Lodha**
Partner
M. No. 85155
Place : New Delhi
Date : 22 June 2020

**For and on behalf of the Board of Directors**

**Sandip Somany**
Director
DIN: 00053597

**Rakesh Kaul**
Director
DIN: 08560772

**Place** : Gurugram
Date : 22 June 2020

**Hintastica Private Limited**

**Standalone cash flow statement for the period from 14 Nov 2019 to 31 March 2020**

(₹)

| Particulars | Year ended 31 March 2020 |
|---|---|
| **A . Cash flows from operating activities** | |
| Profit/(Loss) before tax | (2,30,505) |
| **Operating loss before Working Capital Changes** | **(2,30,505)** |
| Change in working capital | |
| -Trade and Other receivables | (8,355) |
| -Trade and Other Payables | 2,14,638 |
| Cash Generated from Operations | (24,222) |
| Income tax paid | - |
| **Net Cash from Operating Activities** | **(24,222)** |
| **B: Cash flows from investing activities** | |
| Sale/(Purchase) of Investments | - |
| **Net Cash Used in Investing Activities** | **-** |
| **C: Cash flows from financing activities** | |
| - Issue of Share Capital (Equity Shares) | 20,00,000 |
| **Net Cash Used in Financing Activities** | **20,00,000** |
| Net Increase in Cash & Cash Equivalents(A+B+C) | 19,75,778 |
| Cash and Cash Equivalents as at the begnning of the year | - |
| **Cash and Cash Equivalents as at the end of the year** | **19,75,778** |

Notes 1 to 17 form an integral part of these standalone financial statements.
In terms of our report attached.

For **Lodha & Co**
Chartered Accountants
Firm Registration No.: 301051E

**N. K. Lodha**
Partner
M. No. 85155
Place : New Delhi
Date : 22 June 2020

**For and on behalf of the Board of Directors**

**Sandip Somany**
Director
DIN: 00053597

**Rakesh Kaul**
Director
DIN: 08560772

**Place** : Gurugram
Date : 22 June 2020

**Hintastica Private Limited**

**Standalone statement of changes in equity (SOCE) for the period ended 31 March 2020**

**a. Equity share capital** (₹)

| Particulars | As at 31 March 2020 | |
|---|---|---|
| | No. of shares | Amount |
| **Issued and Paid up capital** | | |
| **Balance at the begning of reporting period** | | |
| Changes in Equity Share Capital during the year (Shares issued during the year) | 2,00,000 | 20,00,000 |
| **Balance as at 31 March 2020** | **2,00,000** | **50,00,000** |

**b. Other equity** (₹)

| Particulars | Reserves and surplus | Total |
|---|---|---|
| | Retained earnings | |
| **Balance at the begning of reporting period** | | |
| Profit / (Loss) for the period | (2,30,505) | **(2,30,505)** |
| Other comprehensive income for the period (net of income tax) | - | - |
| Total comprehensive income for the period | (2,30,505) | **(2,30,505)** |
| **Balance as at 31 March 2020** | **(2,30,505)** | **(2,30,505)** |

Notes 1 to 17 form an integral part of these standalone financial statements.
In terms of our report attached.

For **Lodha & Co**
Chartered Accountants
Firm Registration No.: 301051E

LODHA & CO. New Delhi Chartered Accountants

**N. K. Lodha**
Partner
M. No. 85155
Place : New Delhi
Date : 22 June 2020

**For and on behalf of the Board of Directors**

**Sandip Somany**
Director
DIN: 00053597

**Rakesh Kaul**
Director
DIN: 08560772

**Place** : Gurugram
Date : 22 June 2020

Hintastica Private Limited

**Significant accounting policies and other explanatory information to the Stanalone financial statements for the period ended 31 March 2020**

1. **Corporate information**

Hintastica Private Limited (the 'Company') is a private limited company incorporated in India on 14th November 2019 under the Companies Act, 2013. The registered office of the Company is situated in Kolkata. The Company is into the business of import, export, produce, buy, sell, process, manufacture, assemble and deal in all kinds of water heaters, electrical equipments and appliances. The Company is wholly owned subsidiary of Somany Home Innovation Limited.

2. **Application of new and revised Indian Accounting Standard ("Ind AS")**

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

**A. Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. Till the date of approval of this financial statements there is no such notification which is made applicable from 1st April, 2020.

3. **Significant accounting policies and other explanatory information**

3.1 **Statement of compliance with Indian Accounting Standards (Ind AS)**

The financial statements of the Company have been prepared in accordance with Ind AS notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accordingly, the financial statements for the year ended 31 March 2020 are prepared complying applicable Ind AS.

The standalone financial statements of Hintastica Private Limited as at and for the period ended 31 March 2020 were approved and authorised for issue by the Board of Directors on 22nd June 2020.

3.2 **Historical cost convention**

These financial statements have been prepared on a historical cost convention except where certain financial assets and liabilities have been measured at fair value.

3.3 **Revenue recognition**

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.
Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue is recognized net of sales reductions such as discounts and sales incentives granted. This variable consideration is estimated based on the expected value of outflow.

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*Rendering of services:*

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered.

**Interest and dividends**

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividends are recognised at the time the right to receive payment is established

3.4 **Leases**

a) The Company, as a lessee, at the inception of contract, assesses whether the contract is a lease or not. If yes, the contract conveys in favour of the Company, the right to control the use of an identified asset for a period of time in exchange for consideration.

The right-of-use assets are initially recognized at cost, which comprises of the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of the Lessee. In the Balance Sheet, Lease liabilities are presented under the head 'Other Financial Liabilities' in 'Current' and 'Non-Current' portion(s) respectively and Right-of-use assets are presented under respective items of Property, Plant and Equipment or Investment Property, as the case may be.

b) Depreciation on Right-of-use Asset has been provided using Straight line method over their useful lives or lease period, whichever is lower. Interest Expense on Lease Liabilities are provided using discount rate used to determine Lease Liabilities. Depreciation and Interest expenses are recognised in the Statement of Profit and Loss.

c) For short-term leases and leases for which, the underlying asset value is low, right-of-use assets and lease liabilities are not recognised. The lease payments associated with these leases are recognised as expense over the lease term.

d) The Company, as a lessor, recognises lease payments from operating leases as income on straight-line basis over the lease term. The Company has recognised costs, including depreciation, incurred in earning the lease income as an expense.

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3.5 **Taxation**

Tax expense recognised in the statement of profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

**Current tax**

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

**Deferred tax**

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future opening results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although Ind AS 12, Income Taxes, specifies limited exemptions.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

3.6 **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition. Cash and cash equivalent are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

3.7 **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



3.8 **Provisions and contingencies**

A provision is recognised in the financial statements where there exists a present obligation as a result of a past event, the amount of which can be reliably estimated, and it is probable that an outflow of resources would be necessitated in order to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes unless the outflow of resources is considered to be remote. Contingent assets are neither recognised nor disclosed in the financial statements.

3.9 **Earnings per share**

Basic earnings or loss per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders 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 such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings or loss 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.

3.10 **Fair value measurement**

The Company measures financial instruments such as investments in mutual funds, investment in certain equity shares etc. at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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3.11 **Financial instruments**

**I. Financial assets**

**a. Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset, which are not at fair value through profit and loss, are added to fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

**b. Subsequent measurement**

**(i) Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Financial assets at fair value through other comprehensive income (FVOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(iii) Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through statement of profit and loss.

**c. Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets measured at amortised cost and assets measured at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**d. De-recognition of financial assets**

A financial asset is derecognised when:

- The Company has transferred the right to receive cash flows from the financial assets or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity transfers the financial asset, it evaluates the extent to which it retains the risk and rewards of the ownership of the financial assets. If the entity transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer. If the entity retains substantially all the risks and rewards of ownership of the financial asset, the entity shall continue to recognise the financial asset.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of the ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial assert. Where the Company retains control



of the financial assets, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**II. Financial liabilities**

**Initial recognition and subsequent measurement**

All financial liabilities are recognized initially at fair value and in case of borrowings and payables, net of directly attributable cost.

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Changes in the amortised value of liability are recorded as finance cost.

**III. 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. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realization on future date.

**IV. 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.

3.12 **Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.



(i) **Estimation of current tax and deferred tax**

Management judgment is required for the calculation of provision for income - taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to adjustment to the amounts reported in the financial statements.

(ii) **Fair value measurement**

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date .




*<This space has been intentionally left blank>*

**Note 4 - Cash and cash equivalents**

| Particulars | ( ₹ ) As at 31 March 2020 |
|---|---|
| Balances with banks in current account | 19,75,778 |
| | **19,75,778** |

**Note 5 - Other Current Assets**

| Particulars | ( ₹ ) As at 31 March 2020 |
|---|---|
| Balances with Government Authorities | 8,355 |
| | **8,355** |



Hintastica Private Limited

**Significant accounting policies and other explanatory information to the Standalone financial statements for the period ended 31 March 2020**

**Note 6 - Equity share capital**

| Particulars | As at 31 March 2020 | |
|---|---|---|
| | No. of shares | Amount |
| **Authorised:** | | |
| Equity shares of ₹ 10 each | **5,00,000** | **50,00,000** |
| **Issued:** | | |
| Equity shares of ₹ 10 each | **2,00,000** | **20,00,000** |
| **Subscribed and fully paid:** | | |
| Equity shares of ₹ 10 each | 2,00,000 | 20,00,000 |
| | **2,00,000** | **20,00,000** |

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

| Particulars | As at 31 March 2020 | |
|---|---|---|
| | No. of shares | Amount |
| Equity shares outstanding at the beginning of the period | - | - |
| Add: Shares issued during the period | 2,00,000 | 20,00,000 |
| **Equity shares outstanding at the end of the period** | **2,00,000** | **20,00,000** |

**(b) Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the subsequent Annual General Meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company after distributions of all preferential amount. The distributions will be in proportion to the number of equity shares held by the shareholders; and any other right as the Memorandum and Articles of Association of the Company may prescribe in relation to the aforesaid equity shares of the Company.

(c)List of shareholders holding more than 5% of the equity share capital of the Company at the beginning and at the end of the reporting period

| Name of the Shareholders | 31-Mar-20 | |
|---|---|---|
| | No. of Equity Shares held | % of Equity Shares |
| Somany Home Innovation Limited (Holding Co) and its nominees | 2,00,000 | 100.00 |

(d) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus shares and bought back during the year and the Company was incorporated on 14th Nov 2019.

**Note 7 - Other Current liabilities - Other financial liabilities**

| Particulars | (₹) As at 31 March 2020 |
|---|---|
| Creditors for Expenses | 1,21,538 |
| Other Payables | 86,000 |
| | **2,07,538** |

**Note 8 - Other current liabilities**

| Particulars | (₹) As at 31 March 2020 |
|---|---|
| Statutory Dues - TDS payable | 7,100 |
| | **7,100** |

LODHA & CO. New Delhi Chartered Accountants

**Hintastica Private Limited**

**Significant accounting policies and other explanatory information to the Standalone financial statements for the period ended 31 March 2020**

**Note 9 - Other expenses**

(₹)

| Particulars | Year ended 31 March 2020 |
|---|---|
| - Preliminary Expenes | 1,12,000 |
| - Bank Charges | 120 |
| - Rent | 50,000 |
| - Legal & Professional Expenses | 28,385 |
| - Auditor Remuneration | |
| - Audit Fee | 40,000 |
| | **2,30,505** |



**Hintastica Private Limited**

**Significant accounting policies and other explanatory information to the Standalone financial statements for the period ended 31 March 2020**

**Note 10 - Earnings per share**

| Particulars | For the year ended 31 March 2020 |
|---|---|
| Profit/ (Loss) for the period attributable to owners of the Company ( ₹ ) | (2,30,505) |
| Weighted average number of equity shares (nos.) | 2,00,000 |
| Nominal value per share ( ₹ ) | 10 |
| Earnings per share - basic and diluted ( ₹ ) | (1.15) |

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company remain the same.

**Note 11 - Related Party Disclosures**

**i) Name and relationship**

a) Shri Sandip Somany - Director (Since Incorporation i.e 14th Nov'2019)
b) Shri Girdhari Lal Sultania - Director (Since Incorporation i.e 14th Nov'2019)
c) Shri Niranjan Kumar Goenka - Director (Since Incorporation i.e 14th Nov'2019)
d) Shri Rakesh Kaul - Director (w.e.f. 15 Nov'2019)
e) Somany Home Innovation Limited - Holding Company (Since Incorporation i.e 14th Nov'2019)
f) Brilloca Limited - Fellow Subsidary (Since Incorporation i.e 14th Nov'2019)

**ii) Transactions that have taken place during the year 14.11.2019 to 31.03.2020 with related parties by the Company :**

( ₹ )

| Particulars | For the year ended 31 March 2020 |
|---|---|
| **Nature of transaction** | |
| Brilloca Limited (Rent paid) * | 50,000 |
| SHIL (Subscriber to memorandum)-Issue of Equity Shares | 20,00,000 |
| **Balance outstanding at year end** | |
| Accrued/Payable | 50,000 |

* At arm's length price

**Note 12- Payment to Auditors** ( ₹ )

| Particulars | For the year ended 31 March 2020 |
|---|---|
| Statutory Audit Fees ( without taxes) | 40,000 |
| | **40,000** |

**Note 13- Segment Reporting**

The Company has yet to start its business operation, hence no segment been identified and reported.

**Note 14 - Employee benefits**

The Company has no employee during the year under review, hence provision for employee benefits are not required to be made by the Company on the date of Balance Sheet.

**Note 15**

The Company was incorporated on 14 Nov 2019. Accordingly the financial statements for the current accounting period are prepared for the period from 14 Nov 2019 to 31 March 2020. Hence, there is no comparative figures.

**Note 16 - Contingent Liability and other commitment**

Contingent liabilities (as certified by the management of the company) is ₹ Nil and Capital Commitment is ₹ Nil

LODHA & CO. New Delhi Chartered Accountants

**Hintastica Private Limited**
**Significant accounting policies and other explanatory information to the Standalone financial statements for the period ended 31 March 2020**

**Note - 17 Financial instruments and risk review**

**Capital management**

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. As of March 31, 2020, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

| The following table summarises the capital of the Company | (₹) |
|---|---|
| | 31 March 2020 |
| Equity | 17,69,495 |
| Liquid assets (cash and cash equivalents) (a) | 19,75,778 |
| Current borrowings | - |
| Total debt (b) | - |
| Net debt [c = (b) - (a)] | (19,75,778) |
| Total capital (equity+net debt) | (2,06,283) |

As the Company is not having any outstanding debt as on 31-March-2020, hence no gearing ratio has been calculated

| Categories of financial instruments | | | | (₹) |
|---|---|---|---|---|
| Categories of financial assets/(liabilities) | | 31 March 2020 | | |
| | Notes | Carrying value | Gain/(loss) to income | Gain/(loss) to equity |
| **Financial assets measured at amortised costs** | | | | |
| Cash and bank balances | 4 | 19,75,778 | - | - |
| Total financial assets | | 19,75,778 | - | - |
| **Financial liabilities measured at amortised cost** | | | | |
| Other financial liabilities | 7 | 2,07,538 | - | - |
| Total financial liabilities | | 2,07,538 | - | - |

**Financial risk management objective**

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk. The Company is not engaged in speculative treasury activities but seeks to manage risk and optimise interest and commodity pricing through proven financial instruments.

**Cash and cash equivalents and short term investments**

The Company considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained.The Company does not maintain significant deposit balances other than those required for its day to day operations.

**Liquidity risk:**

Liquidity risk reflects the risk that the Company will have insufficient resources to meet its financial liabilities as they fall due.
The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements.

The table below provides undiscounted cash flows towards non-derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet date to the contractual maturity date and, where applicable, their effective interest rates.

| Particulars | | | | | (₹) |
|---|---|---|---|---|---|
| | | As at 31 March 2020 | | | |
| | Notes | not later than one year | later than one year and not later than five years | later than five years | Total |
| **Financial liabilities** | | | | | |
| Borrowings - other loans | | - | - | - | - |
| Other financial liabilities | 7 | 2,07,538 | - | - | - |
| Total | | 2,07,538 | - | - | - |

In terms of our report attached.
For **Lodha & Co**
Chartered Accountants
Firm Registration No.: 301051E

LODHA & CO. New Delhi Chartered Accountants

**N. K. Lodha**
Partner
M. No. 85155
Place : New Delhi
Date :22 June 2020

**For and on behalf of the Board of Directors**

**Sandip Somany**
Director
DIN: 00053597

**Rakesh Kaul**
Director
DIN: 08560772

**Place** : Gurugram
Date : 22 June 2020