

Walker Chandniok & Co LLP

Walker Chandniok & Co LLP
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Independent Auditor's Report

To the Members of Hindware Home Retail Private Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Hindware Home Retail Private Limited (the 'Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of the written representations received from the directors as on 31 March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act; and



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- f. 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. as detailed in Note 33 to the financial statements, the Company has disclosed the impact of pending litigations on its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Lalit Kumar
per **Lalit Kumar**
Partner
Membership No.: 095256



Place: Gurgaon
Date: 15 May 2015

Walker Chandiok & Co LLP

Annexure to the Independent Auditor's Report of even date to the members of Hindware Home Retail Private Limited on the financial statements for the year ended 31 March 2015

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products and services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.



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Annexure to the Independent Auditor's Report of even date to the members of Hindware Home Retail Private Limited on the financial statements for the year ended 31 March 2015 (Cont'd)

- (b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 2004 and Service tax Rules	Service tax	7,777,417	4,019,541	Financial year ('FY') 2010-11 and FY 2011-12	The Hon'ble Supreme Court of India

- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable.
- (viii) In our opinion, the Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses in the current and the immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of dues to any bank during the year. The Company did not have any outstanding debentures or any dues to any financial institution during the year.
- (x) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.
- (xi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

Walker Chandiok & Co LLP
For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Lalit Kumar
per Lalit Kumar
Partner
Membership No.: 095256



Place: Gurgaon
Date: 15 May 2015

Hindware Home Retail Private Limited
Balance Sheet as at 31 March 2015

		(Amount in Rs.)
	As at	As at
Notes	31 March 2015	31 March 2014

Equity and liabilities

Hindware Home Retail Private Limited
Statement of Profit and Loss for the year ended 31 March 2015

	Notes	(Amount in Rs.)	
		Year ended 31 March 2015	Year ended 31 March 2014
Income			
Revenue from operations			
Other income	19	1,038,277,100	936,062,668
Total revenue (I)	20	<u>412,776</u>	<u>405,755</u>
		1,038,689,876	936,468,423
Expenses:			
Purchases of traded goods			
Change in stock of work in progress and stock in trade	21	595,709,640	552,204,583
Employee benefit expenses	22	(4,700,602)	(22,880,582)
Other expenses	23	154,940,018	145,844,429
Total expenses (II)	24	<u>370,445,778</u>	<u>382,426,706</u>
		1,116,394,834	1,057,595,136
Loss before depreciation, amortisation, finance costs and tax (I) - (II)		(77,704,958)	(121,126,713)
Depreciation and amortization			
Finance costs	25	56,879,802	42,900,575
Loss before tax	26	<u>39,762,176</u>	<u>38,406,089</u>
Tax expense			
-Current tax		(174,346,936)	(202,433,377)
-Deferred tax		-	-
Loss after tax		<u>-</u>	<u>-</u>
		(174,346,936)	(202,433,377)
Earnings per equity share (basic and diluted)	37	(6.04)	(9.20)

Notes 1 to 42 form an integral part of these financial statements

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

Walker Chandniok & Co LLP
For Walker Chandniok & Co LLP
(formerly Walker, Chandniok & Co)
Chartered Accountants

Lalit Kumar
per Lalit Kumar
Partner



For and on behalf of the Board of Directors

Sumita Somany
Sumita Somany
(Director)
DIN-00153612

Heena Garg
Heena Garg
(Company Secretary)

R.B. Kabra
R.B. Kabra
(Director)
DIN-00021886

V. K. Ajmera
V. K. Ajmera
(Chief Financial Officer)

Place : Gurgaon
Date : 15 May 2015

Hindware Home Retail Private Limited
Cash Flow Statement for the year ended 31 March 2015

	Year ended 31 March 2015	(Amount in Rs.) Year ended 31 March 2014
A. Cash flow from operating activities		
Net loss for the year	(174,346,937)	(202,433,376)
<i>Adjustments for:</i>		
Depreciation and amortisation expense	56,879,802	42,900,575
Profit on disposal of fixed assets	(209,245)	(355,335)
Loss on disposal of fixed assets	912,084	506,786
Interest income	(203,532)	(50,421)
Sundry balances and liabilities no longer required written back	(12,837,876)	(2,106,886)
Unrealised foreign exchange loss/(gain)	10,429	(1,247)
Bad debts written off	3,401	49,656
Finance cost	39,221,790	37,901,031
Operating cash loss before working capital changes	(90,570,084)	(123,589,217)
<i>Adjustments for:</i>		
Increase in trade and other payables	75,943,436	26,323,259
(Increase)/decrease in trade and other receivables	31,551,121	(37,532,650)
(Increase) in inventories	(4,700,602)	(22,880,582)
Net cash used in operating activities	12,223,872	(157,679,190)
B. Cash flow from investing activities		
Purchase of fixed assets including capital work in progress	(82,344,919)	(41,570,186)
Proceeds from sale of fixed assets	1,961,222	2,130,552
Placement of fixed deposits in restricted cash	1,435,942	(1,562,312)
Interest income	77,510	50,421
Net cash used in investing activities	(78,870,245)	(40,951,525)
C. Cash flow from financing activities		
Proceeds from issue of equity /preference share capital	100,000,000	200,000,000
Proceeds from short-term borrowing	110,528,382	111,783,372
Repayment of short-term borrowing	(60,000,000)	(50,000,000)
Proceeds from long-term borrowing	876,540	19,739,418
Repayment of long-term borrowing	(51,659,017)	(54,525,000)
Interest paid	(38,513,456)	(36,544,864)
Net cash flow from financing activities	61,232,449	190,452,926
Net increase in cash and cash equivalents	(5,413,924)	(8,177,789)
Cash and cash equivalents in the beginning of the year	14,979,940	23,157,729
Cash and cash equivalents at the end of the year	9,566,016	14,979,940
Note:		
Cash and cash equivalent include:		
Cash on hand and remittance in transit (refer note 16)	6,391,774	9,605,247
Balances with banks (refer note 16)	3,174,242	5,374,693
Cash and cash equivalents	9,566,016	14,979,940
Other bank balances		
Fixed deposits with maturity more than 3 months but less than 12 months	1,426,500	1,071,400
Cash and bank balances (refer note 16)	10,992,516	16,051,340

Notes 1 to 42 form an integral part of these financial statements

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

Walker Chandniok & Co LLP
For Walker Chandniok & Co LLP
(formerly Walker, Chandniok & Co)
Chartered Accountants

Lalit Kumar
per Lalit Kumar
Partner



Place : Gurgaon
Date : 15 May 2015

For and on behalf of the Board of Directors

Sumita Somany
Sumita Somany
(Director)
DIN-00133612

R.B. Kabra
R.B. Kabra
(Director)
DIN-00021886

Heena Garg
Heena Garg
(Company Secretary)

V.K. Ajmera
V.K. Ajmera
(Chief Financial Officer)

Hindware Home Retail Private Limited

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March 2015

- 1** Hindware Home Retail Private Limited (the 'Company') was incorporated on 24 November 2005 as a wholly owned subsidiary of HSIL Limited (the 'Holding Company'). The Company is primarily engaged in retail trade of furniture and home decor through a chain of retail outlets.

2 Significant accounting policies

i Basis of preparation

The financial statements have been prepared to comply with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act 2013 (the 'Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company.

ii Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognised in the current and future periods.

iii Fixed assets

Tangible assets

Tangible assets are stated at cost of acquisition less accumulated depreciation. Cost comprises the purchase price and any attributable cost incurred for bringing the assets to their working condition for their intended use.

Capital expenditure incurred on rented retail stores is recorded as leasehold improvements under fixed assets to the extent such expenditure is of permanent nature. Expenditure in assets which are of removable nature are recorded in the respective category of assets.

Intangible assets

Intangible assets are recognised if and only if it is probable that the future economic benefits that are attributable to the assets will flow to the Company. Software which is not an integral part of the related hardware, is classified as an intangible asset.



Hindware Home Retail Private Limited
Significant accounting policies and other explanatory information to financial statements for the year ended 31 March 2015

iv Depreciation and amortisation

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

Block of assets	Useful life as per the Act (in years)
Furniture and fixture	10
Office equipment	3 – 6

b) Vehicles are being depreciated using written down value method over a period of 8 years as stipulated in Schedule II of the Act.

c) Leasehold improvements are being depreciated over the lease period.

d) Softwares which are being amortised over estimated useful lives.

v 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.

vi Revenue recognition

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.

Revenue from 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.

vii Foreign currency transactions

Transactions in foreign currencies are recorded at the rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the rate prevailing on the balance sheet date. Differences arising therefrom are recognised in the statement of profit and loss.

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognised as income or expense in the year in which they arise.



Hindware Home Retail Private Limited

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March 2015

viii Employee benefits

Salaries, bonuses and paid leave are accrued in the year in which the associated services are rendered by employees of the Company.

i) *Provident fund*

Provident fund benefit is a defined contribution plan under which the Company pays fixed contributions into funds established under Employees Provident Fund and Miscellaneous Provision Act, 1952. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognised in respect of defined contribution plans are expensed as they accrue. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets, respectively, as they are normally of a short term nature.

ii) *Gratuity*

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated at the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded as expense or income in the statement of profit and loss in the year in which such gains or losses arise.

iii) *Compensated absences*

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded as expense or income in the statement of profit and loss in the year in which such gains or losses arise.

iv) *Other short term benefits*

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



Hindware Home Retail Private Limited

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March 2015

ix Taxation

Provision for tax for the year comprises current income tax 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 certainty of realisation based on convincing evidence, as evaluated on a case to case basis.

x Operating leases

Lease of assets, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

xi Earnings per share

Basic earnings per share is 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.

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

xii Provision and contingencies

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company; or
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- present obligation, where a reliable estimate cannot be made.

Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made



Hindware Home Retail Private Limited

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March 2015

xiii Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

xiv Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term bank deposits with an original maturity of three months or less.

xv Measurement of EBIDTA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 (now Schedule III to the Companies Act 2013), the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

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Hindware Home Retail Private Limited

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March 2015

3 Share Capital	(Amount in Rs.)	
	As at 31 March 2015	As at 31 March 2014
Authorised:		
50,000,000 (previous year 25,000,000) equity shares of Rs. 10 each	500,000,000	250,000,000
7,500,000 (previous year 7,500,000) 0% non cumulative redeemable preference shares of Rs. 100 each	750,000,000	750,000,000
	1,250,000,000	1,000,000,000
Issued		
32,000,000 (previous year 22,000,000) equity shares of Rs. 10 each	320,000,000	220,000,000
6,290,000 (previous year 6,290,000) 0% non cumulative redeemable preference shares of Rs. 100 each	629,000,000	629,000,000
	949,000,000	849,000,000
Subscribed and paid up		
32,000,000 (previous year 22,000,000) equity shares of Rs. 10 each fully paid up	320,000,000	220,000,000
6,290,000 (previous year 6,290,000) 0% non cumulative redeemable preference shares of Rs. 100 each fully paid up	629,000,000	629,000,000
	949,000,000	849,000,000

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

i) Equity shares

Particulars	31 March 2015		31 March 2014	
	Number of Shares	(Amount in Rs.)	Number of Shares	(Amount in Rs.)
Shares outstanding at the beginning of the year	22,000,000	220,000,000	22,000,000	220,000,000
Add: Shares issued during the year	10,000,000	100,000,000	-	-
Shares outstanding at the end of the year	32,000,000	320,000,000	22,000,000	220,000,000

(ii) Preference shares

Particulars	31 March 2015		31 March 2014	
	Number of Shares	(Amount in Rs.)	Number of Shares	(Amount in Rs.)
Shares outstanding at the beginning of the year	6,290,000	629,000,000	4,290,000	429,000,000
Add: Shares issued during the year	-	-	2,000,000	200,000,000
Shares outstanding at the end of the year	6,290,000	629,000,000	6,290,000	629,000,000

(b) Shares held by holding Company*

Particulars	31 March 2015		31 March 2014	
	Number of Shares	(Amount in Rs.)	Number of Shares	(Amount in Rs.)
Equity shares of Rs. 10 each				
HSHL Limited	31,999,997	319,999,970	21,999,997	219,999,970
0% Non cumulative redeemable preference shares of Rs 100 each				
HSHL Limited	6,290,000	629,000,000	6,290,000	629,000,000

* The above information is furnished as per the shareholder's register as at the year end.

(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

Particulars	31 March 2015		31 March 2014	
	Number of Shares	% of Shares	Number of Shares	% of Shares
Equity shares of Rs. 10 each				
HSHL Limited	31,999,997	99.99	21,999,997	99.99
0% Non cumulative redeemable preference shares of Rs 100 each				
HSHL Limited	6,290,000	100	6,290,000	100

(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. Share holder 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:

- 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.
- 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 ordinary shares to receive the capital paid up on those shares.
- Preference shares are redeemable at par at any time after giving subscriber a notice of redemption, on or before 31 March 2027.

(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 Private Limited
 Significant accounting policies and other explanatory information to financial statements for the year
 ended 31 March 2015

	As at 31 March 2015	(Amount in Rs.) As at 31 March 2014
4 Reserves and Surplus		
a Securities premium account		
Balance at the beginning/end of the year	210,000,000	210,000,000
	<u>210,000,000</u>	<u>210,000,000</u>
b Surplus as per statement of profit and loss		
Balance as at the beginning of the year	(847,868,732)	(645,435,356)
Add: Depreciation adjustment	(2,147,756)	-
Add: Net loss as per statement of profit and loss for the year	(174,346,936)	(202,433,376)
Balance as at the end of the year	<u>(1,024,363,424)</u>	<u>(847,868,732)</u>
	<u>(814,363,424)</u>	<u>(637,868,732)</u>
5 Long-term borrowings		
Secured		
Term loans from banks		
Rupee loan	51,884,841	102,667,319
Less: Current maturities of long-term borrowings (refer note 9)	37,500,000	51,647,476
	<u>14,384,841</u>	<u>51,019,843</u>
Notes:-		
Repayment terms and security for borrowings (including current maturities) as on 31 March 2015:		
i. Term loan amounting to Rs. 88,000,000 from Central Bank of India carries an interest rate of base rate <i>plus</i> 3.5% per annum. The loan was repayable in 8 quarterly installments of Rs. 4,400,000 each starting from the first quarter of 2011-12 and balance in 8 quarterly installments of Rs. 6,600,000 each starting from first quarter of 2013-14. The closing balance of the said loan is Rs. nil (previous year Rs. 14,147,476)		
ii. Term loan amounting to Rs. 150,000,000 from Central Bank of India carries an interest rate of base rate <i>plus</i> 3.5% per annum. The loan is repayable in 16 quarterly installments of Rs. 9,375,000 each starting from second quarter of 2013-14. The closing balance of the said loan is Rs. 51,884,841 (previous year Rs. 88,519,843)		
Both the aforementioned term loans are secured by way of -		
i. Hypothecation of the fixed assets of the Company.		
ii. Corporate guarantee given by HSIL Limited, the Holding Company.		
6 Long-term provisions		
Provision for employee benefits *		
Compensated absences	2,492,689	1,982,097
Gratuity	3,099,559	2,461,666
	<u>5,592,248</u>	<u>4,443,763</u>
* Refer note 35		



Hindware Home Retail Private Limited
Significant accounting policies and other explanatory information to financial statements for the year ended 31 March 2015

	As at 31 March 2015	(Amount in Rs.) As at 31 March 2014
7 Short term borrowings		
Secured		
Cash credit from banks	277,472,323	226,943,941
	<u>277,472,323</u>	<u>226,943,941</u>

Repayment terms and security for borrowings as on 31 March 2015:

- i Cash credit facility from Central Bank of India carries an interest rate of base rate *plus* 2% per annum and is repayable on demand. This facility is secured by hypothecation against stocks, goods in transit, receivables and all other current assets and also having corporate guarantee from HSIL Limited, the Holding Company.
- ii Cash credit facility from Standard Chartered Bank carries an interest rate of base rate *plus* 2% per annum and is repayable on demand. This facility is secured by hypothecation against stocks, goods in transit, receivables and all other current assets and also having corporate guarantee from HSIL Limited, the Holding Company.
- iii Cash credit facility from Deutsche Bank carries an interest rate of base rate *plus* 2% per annum and is repayable on demand. The facility is secured against corporate guarantee from HSIL Limited, the Holding Company.
- iv Cash credit facility from Indusind Bank carries an interest rate of base rate *plus* 1% per annum and is repayable on demand. This facility is secured by hypothecation against stocks, goods in transit, receivables and all other current assets and also having corporate guarantee from HSIL Limited, the Holding Company.

8 Trade payables

Due to micro, small and medium enterprises (refer note 38)	-	-
Due to others	140,209,550	91,712,362
	<u>140,209,550</u>	<u>91,712,362</u>

9 Other current liabilities

Current maturities of long-term borrowings (refer note 5)	37,500,000	51,647,476
Interest accrued and due on borrowings	708,334	1,356,167
Advance from customers	24,899,854	22,791,391
Statutory liabilities	7,978,092	11,149,581
Employee related payables	13,891,295	17,985,827
Creditor for expenses	38,675,056	46,551,460
Creditor for capital goods	1,005,135	7,481,040
Other liabilities	6,517,297	28,708,341
	<u>131,175,063</u>	<u>187,671,283</u>

10 Short term provision

Provision for employee benefits *

Compensated absences	140,701	131,363
Gratuity	62,894	41,119
	<u>203,595</u>	<u>172,482</u>

* Refer note 55



Hindware Home Retail Private Limited
Significant accounting policies and other explanatory information to financial statements for the year ended 31 March 2015

1. Fixed assets

Particulars	Gross block				Depreciation/ amortisation			Net block		
	As at 01 April 2014	Additions during the year	Sales/deletion during the year	As at 31 March 2015	As at 01 April 2014	Depreciation for the year	Sales/deletions during the year	As at 31 March 2015	As at 31 March 2015	As at 31 March 2014
	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
Tangible assets										
Vehicles	3,236,920	-	-	3,236,920	1,194,558	612,707	-	1,807,267	1,429,653	2,042,362
Air conditioning unit	17,430,774	1,085,464	-	18,516,238	3,085,682	6,646,089	-	8,731,771	9,784,467	15,345,092
Office equipments	18,125,838	2,267,121	915,750	19,477,209	2,743,504	8,164,692	205,432	10,612,764	8,864,445	15,382,334
Computers	19,971,282	2,440,226	113,715	22,298,493	17,689,692	2,061,530	111,743	19,039,479	2,659,014	2,281,590
Furniture and fittings	220,535,607	6,387,161	3,311,520	223,611,248	70,913,091	24,508,232	1,269,783	94,151,540	129,459,708	149,622,516
Leasehold improvements	125,319,499	10,862,918	-	136,182,417	34,973,521	13,203,121	-	48,176,642	88,005,775	90,345,978
Tools	637,573	607,356	-	1,244,929	98,670	303,916	-	402,586	842,343	538,903
Intangible assets										
Computer software	19,801,399	3,433,425	-	23,234,824	14,325,884	3,527,269	-	17,853,153	5,381,671	5,475,515
Total	425,059,892	27,084,371	4,340,985	447,892,278	144,024,602	59,027,558	1,676,958	201,375,202	246,427,076	281,034,290

1. Effective from 1 April 2014, the Company has revised the estimates of computing the depreciation and amortisation based on the revised useful life of the assets as per the requirements of schedule II of the Act. Due to the aforementioned, the depreciation and amortisation charge for the year ended 31 March 2015 is higher by Rs. 13,208,601 and fixed assets and profit for the year is lower by a corresponding amount.

2. Further, based on the transitional provisions provided in Schedule II of the Act, an amount of Rs. 2,147,756 has been adjusted with the opening reserves as at 1 April 2014.

Particulars	Gross block				Depreciation/ amortisation			Net block		
	As at 01 April 2013	Additions during the year	Sales/deletion during the year	As at 31 March 2014	Up to 31 March 2013	Depreciation for the year	Sales/ Deletions during the year	Up to 31 March 2014	As at 31 March 2014	As at 31 March 2013
	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
Tangible assets										
Vehicles	3,236,920	-	-	3,236,920	319,258	875,300	-	1,194,558	2,042,362	2,917,662
Air conditioning unit	13,029,862	3,500,912	-	17,430,774	1,314,955	770,727	-	2,085,682	15,345,092	12,614,907
Office equipments	17,487,311	638,526	-	18,125,838	1,882,774	860,730	-	2,743,504	15,382,334	15,604,537
Computers	19,273,889	697,393	-	19,971,282	14,157,499	3,532,193	-	17,689,692	2,281,590	5,116,390
Furniture & fittings	192,188,495	31,599,727	3,252,615	223,535,607	51,508,104	20,787,937	1,382,950	70,913,091	149,622,516	140,680,394
Leasehold improvements	121,321,671	5,017,655	1,019,827	125,319,499	22,822,796	12,758,214	607,489	34,973,521	90,345,978	98,498,875
Tools	557,442	80,131	-	637,573	70,830	27,840	-	98,670	538,903	486,612
Intangible assets										
Computer software	15,521,823	4,279,576	-	19,801,399	11,038,250	3,287,634	-	14,325,884	5,475,515	4,483,573
TOTAL	383,517,413	45,813,920	4,272,442	425,058,892	103,114,466	42,900,575	1,990,439	144,024,601	281,034,290	280,402,949



Hindware Home Retail Private Limited

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March 2015

	As at 31 March 2015	(Amount in Rs.) As at 31 March 2014
12 Long term loans and advances (Unsecured, considered good)		
Capital advances	-	4,647,754
Security deposits	40,095,653	43,294,678
Prepaid taxes	1,928,875	1,363,406
	<u>42,024,528</u>	<u>49,305,838</u>
13 Other non current assets (Unsecured, considered good)		
Margin money with banks	1,100,670	2,536,612
Fixed deposits with banks with original maturity of more than twelve months*	35,000	35,000
	<u>1,135,670</u>	<u>2,571,612</u>
<i>* pledged with various authorities</i>		
14 Inventories (At lower of cost and net realisable value)		
Stock in trade	352,315,132	349,321,884
Goods-in-transit	2,861,976	1,154,622
	<u>355,177,108</u>	<u>350,476,506</u>
15 Trade receivables (Unsecured, considered good)		
Debts outstanding for a period exceeding six months from the date they are due for payment		
Considered good	14,499,125	16,219,650
	<u>14,499,125</u>	<u>16,219,650</u>
Other debts	12,773,284	30,174,129
	<u>12,773,284</u>	<u>30,174,129</u>
	<u>27,272,409</u>	<u>46,393,779</u>



Hindware Home Retail Private Limited

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March 2015

	As at 31 March 2015	(Amount in Rs.) As at 31 March 2014
16 Cash and bank balances		
Cash and cash equivalents		
Balance with banks		
- on current accounts	1,929,081	3,831,489
Cash on hand	5,070,597	6,978,966
Remittance in transit	1,321,177	2,626,281
Credit card balances	1,245,161	1,543,204
	<u>9,566,016</u>	<u>14,979,940</u>
Other bank balances		
Fixed deposits with maturity more than 3 months but less than 12 months	1,426,500	1,071,400
	<u>10,992,516</u>	<u>16,051,340</u>
17 Short term loans and advances (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	10,126,256	2,705,119
Advances to suppliers	5,143,065	16,679,155
Balances with excise and sales tax authorities	5,194,328	6,231,220
	<u>20,463,649</u>	<u>25,615,494</u>
18 Other current assets		
Interest accrued but not due on deposits	181,240	55,218
	<u>181,240</u>	<u>55,218</u>



Hindware Home Retail Private Limited

Significant accounting policies and other explanatory information to financial statements for the year

	Year ended 31 March 2015	(Amount in Rs.) Year ended 31 March 2014
19 Revenue from operations		
Sales of products		
Departmental sales	973,151,564	869,015,561
	<u>973,151,564</u>	<u>869,015,561</u>
Sale of services		
Service charges	22,589	23,395
Designing charges	316,837	8,298,347
Installation charges	47,795,615	52,984,661
	<u>48,135,041</u>	<u>61,306,403</u>
Other operating income		
Sundry balances and liabilities no longer required written back (net)	12,837,876	2,106,886
Foreign exchange fluctuation (net)	248,010	676,623
Insurance claims received	269,407	503,292
Scrap and other sales	1,604,077	49,778
Miscellaneous receipts	2,031,125	2,404,125
	<u>1,038,277,100</u>	<u>936,062,668</u>
Details of goods sold (traded)		
Furniture	750,577,083	617,118,161
Home furnishings	23,589,829	25,102,032
Home decor	73,982,895	65,495,521
Kitchen	107,123,401	120,387,303
Bath	6,114,606	19,918,607
Others	11,763,750	20,993,937
	<u>973,151,564</u>	<u>869,015,561</u>
20 Other income		
Interest on fixed deposit	203,532	50,420
Profit on disposal of fixed assets	209,245	355,335
	<u>412,777</u>	<u>405,755</u>
21 Purchases of traded goods		
Traded goods	595,709,640	552,204,583
	<u>595,709,640</u>	<u>552,204,583</u>



Hindware Home Retail Private Limited

Significant accounting policies and other explanatory information to financial statements for the year

	Year ended 31 March 2015	(Amount in Rs.) Year ended 31 March 2014
22 Change in stock of stock in trade		
Opening stock		
Stock in trade	350,476,506	327,595,924
	<u>350,476,506</u>	<u>327,595,924</u>
Less: Closing stock		
Stock in trade	355,177,108	350,476,506
	<u>355,177,108</u>	<u>350,476,506</u>
Change in stocks	<u>(4,700,602)</u>	<u>(22,880,582)</u>
23 Employee benefit expenses		
Salaries, wages and bonus	146,983,299	137,932,808
Contribution to provident and other funds	4,242,146	4,462,668
Staff welfare expense	3,714,573	3,448,953
	<u>154,940,018</u>	<u>145,844,429</u>
24 Other expenses		
Electricity charges	14,879,036	15,537,594
Installation expenses	44,742,436	61,920,344
Rent and maintenance	150,345,821	150,064,738
Advertisement and publicity	45,076,943	49,395,423
Loading/unloading expenses	9,791,085	8,682,120
Packing material consumed	4,931,068	4,395,933
Bank charges	24,411,183	16,009,519
Freight outward	18,905,726	17,984,851
Travelling and conveyance	17,324,805	14,572,654
Rates and taxes	13,323,965	10,458,154
Legal and professional expenses	5,828,983	5,368,051
Communication expenses	5,946,729	6,004,811
Repairs to other assets	4,152,070	4,216,064
Insurance	1,365,467	2,162,383
Bad debts written off	3,401	49,656
Loss on sale of assets	912,084	506,786
Miscellaneous expenses	8,504,976	15,097,625
	<u>370,445,778</u>	<u>382,426,706</u>
25 Depreciation and amortisation expense		
Depreciation on tangible assets	53,352,533	39,612,941
Amortisation of intangible assets	3,527,269	3,287,634
	<u>56,879,802</u>	<u>42,900,575</u>
26 Finance cost		
Interest on borrowings	39,221,790	37,901,031
Other borrowing cost	540,386	505,058
	<u>39,762,176</u>	<u>38,406,089</u>



Hindware Home Retail Private Limited

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March 2015

27 The Company has incurred a loss of Rs. 174,346,936 (previous year Rs. 202,433,376) during the year and has accumulated losses of Rs. 1,024,363,425 (previous year Rs. 847,868,732) as at 31 March 2015, resulting in accumulated losses being more than 50% of its net worth as at 31 March 2015. The management has implemented plans and policies to improve its operation significantly and strengthen the financial position of the Company in the coming years. The management is certain to achieve operational break even in the near future and to generate profits in due course. In view of the future business outlook and financial support provided by HSIIL Limited, the Holding Company, management is of the opinion that it is appropriate to prepare accounts on a going concern basis. Accordingly, the financial statements continue to be prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded asset amount and the classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

28 The Company is a lessee under various operating leases for premises taken on operating lease. Aggregate rental expenses under operating leases amounted to Rs. 130,814,328. (previous year Rs. 130,167,605) (excluding maintenance charges of Rs. 19,531,493 (previous year Rs. 19,897,133)) for the year, has been charged to the statement of profit and loss.

29 Deferred tax assets

In accordance with the notified Accounting Standard 22, "Accounting of Taxes on Income", deferred tax assets on carried forward losses, unabsorbed depreciation and other timing differences have not been accounted in the books, since it is not virtually certain whether in future there will be sufficient taxable income against which such deferred tax assets can be utilised.

Particulars	(Amount in Rs.)	
	31 March 2015	31 March 2014
Deferred tax asset arising on account of		
Employee benefits	1,880,461	1,497,741
Depreciation and amortisation	7,439,776	(313,303)
	<u>9,320,237</u>	<u>1,184,438</u>

30 Value of imports calculated on CIF basis

Particulars	(Amount in Rs.)	
	31 March 2015	31 March 2014
Stock in trade	111,216,150	81,227,447
Components and spare parts	35,847	293
	<u>111,251,997</u>	<u>81,227,740</u>

31 Expenditure in foreign currency (on accrual basis)

Particulars	(Amount in Rs.)	
	31 March 2015	31 March 2014
Travelling and conveyance	2,046,285	1,896,317
Professional charges	1,145,315	1,550,330
Others	2,171,432	1,216,779
	<u>5,363,032</u>	<u>4,663,426</u>

32 Capital commitments

Particulars	(Amount in Rs.)	
	31 March 2015	31 March 2014
Commitments relating to contracts remaining to be executed on capital accounts	-	2,376,217

33 Contingent liabilities not provided for:

Particulars	(Amount in Rs.)	
	31 March 2015	31 March 2014
Bank guarantees given to various parties	9,419,874	10,909,532
Service tax liability on lease rent*	7,777,417	7,777,417
	<u>17,197,291</u>	<u>18,686,949</u>

*Out of this 4,019,541 has been deposited under protest with Service tax department against Supreme Court order.



Hindware Home Retail Private Limited

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March 2015

34 Payment to auditors

Particulars	(Amount in Rs.)	
	31 March 2015	31 March 2014
As auditor		
Statutory audit	270,000	250,000
Tax audit	75,000	50,000
	<u>345,000</u>	<u>300,000</u>

35 Employee benefits

During the year Company has recognised the following amounts in the statement of profit and loss:

a) Provident fund and other funds*:

Particulars	(Amount in Rs.)	
	31 March 2015	31 March 2014
Employer's contribution to provident fund	3,407,223	3,472,878
Employer's contribution to employee's state insurance	505,493	640,488

* Included in "contribution to provident and other funds" (refer note 23)

b) Long term benefit plans

	(Amount in Rs.)			
	As at 31 March 2015		As at 31 March 2014	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Amount recognised in balance sheet:				
Present value of obligation as at the end of the period	3,162,453	2,633,390	2,502,784	2,113,460
Funded status/difference	(3,162,453)	(2,633,390)	(2,502,784)	(2,113,460)
Net asset/(liability) recognized in balance sheet	(3,162,453)	(2,633,390)	(2,502,784)	(2,113,460)
Amount recognised in statement of profit and loss:				
Current service cost	815,168	789,632	807,217	855,290
Interest cost	212,737	179,644	194,709	166,631
Net actuarial (gain)/loss recognised in the year	(290,122)	489,285	(337,252)	701,294
Total included in personnel cost *	737,783	1,458,561	664,674	1,723,215

* Included in "salaries, wages and bonus" (refer note 23)

Reconciliation of benefit obligation for the year

Present value of obligation as at the beginning of the year	2,502,784	2,113,460	2,433,864	2,082,891
Interest cost	212,737	179,644	194,709	166,631
Current service cost	815,168	789,632	807,217	855,290
Benefits paid	(78,114)	(938,631)	(595,754)	(1,692,646)
Actuarial (gain)/loss on obligation	(290,122)	489,285	(337,252)	701,294
Present value of obligation as at the end of year	3,162,453	2,633,390	2,502,784	2,113,460

Change in benefit obligation

Opening benefit obligation	2,502,784	2,113,460	2,433,864	2,082,891
Current service cost	815,168	789,632	807,217	855,290
Interest cost	212,737	179,644	194,709	166,631
Benefits paid	(78,114)	(938,631)	(595,754)	(1,692,646)
Actuarial (gain)/loss	(290,122)	489,285	(337,252)	701,294
Closing benefit obligation recognised in balance sheet	3,162,453	2,633,390	2,502,784	2,113,460



	As at 31 March 2015		As at 31 March 2014	
	Gratuity	Leave encashment	Gratuity	Leave encashment (unfunded)
Amount to be recognised in balance sheet				
Present value of defined benefit obligation				
Current	62,894	140,701	41,119	131,363
Non-current	3,099,559	2,492,689	2,461,665	1,982,097
	3,162,453	2,633,390	2,502,784	2,113,460

Actuarial assumptions

Discount rate	8.0%	8.0%	8.5%	8.5%
Expected rate of increase in compensation levels	5.5%	5.5%	6.0%	6.0%
Expected average remaining working lives of employees	27.05 years	27.05 years	27.88 years	27.88 years

Amounts for the current period are as follows:

	31 March 2015		31 March 2014	
	Gratuity	Compensated absences	Gratuity	Compensated absences
<i>Defined benefit plan</i>				
Defined benefit obligation	3,162,453	2,633,390	2,502,784	2,113,460
Deficit	3,162,453	2,633,390	2,502,784	2,113,460

Amounts for the current and previous years are as follows	2014-15	2013-14	2012-13	2011-12	2010-11
Defined benefit plan - Gratuity					
Defined benefit obligation	3,162,453	2,502,784	2,433,864	2,094,281	1,224,431
Deficit	3,162,453	2,502,784	2,433,864	2,094,281	1,224,431

36 Details in respect of traded goods dealt with by the Company:*

Particulars	(Amount in Rs.)	
	31 March 2015	31 March 2014
Opening stock		
Furniture and home furnishing	231,956,643	217,034,844
Other	118,519,863	110,561,080
	350,476,506	327,595,924
Purchases		
Furniture and home furnishing	451,452,747	379,149,413
Other	144,256,893	173,055,170
	595,709,640	552,204,583
Sales		
Furniture and home furnishing	774,166,912	642,220,192
Other	198,984,652	226,795,369
	973,151,564	869,015,561
Closing stock		
Furniture and home furnishing	232,894,455	231,956,643
Other	122,282,652	118,519,863
	355,177,107	350,476,506

* The Company deals in large number of products, the information has been furnished only in respect of major items namely furniture and home furnishing items. Other items are grouped together, as information in respect of each product is not practical to ascertain in view of nature of retail operation of the Company.



Hindware Home Retail Private Limited

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March 2015

37 Earnings per share

Particulars	31 March 2015	31 March 2014
Basic and diluted loss per share		
Loss attributable to equity shareholders (Rs.)	(174,346,936)	(202,433,376)
Weighted average number of shares outstanding during the year	28,876,712	22,000,000
Nominal value per share (Rs.)	10	10
Basic and diluted loss per share - (Rs.)	(6.04)	(9.20)

38 There are no micro, small and medium enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

39 The foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below as on each balance sheet date

Particulars	Currency	31 March 2015		31 March 2014	
		Amount in foreign currency	Amount in Indian Rupees	Amount in foreign currency	Amount in Indian Rupees
Payables					
Payable on imports	USD	-	-	1,593.44**	95,724
Receivables					
Advances to suppliers	USD	11,345*	710,093	9,680#	581,768

* converted @ 1 USD = 62.80

** converted @ 1 USD = 54.35

converted @ 1 USD = 61.13

40 The Company is engaged in the business of "Retail trade" which is considered to be the only reportable business segment as per the notified accounting standard 17 on 'Segment Reporting' as notified under the Act. The Company only operates in India and therefore does not have any other geographical segments.

41 Related party disclosures

Information to be disclosed in accordance with the notified Accounting Standard 18 "Related Party Disclosures" as notified under the Act.

(i) Relationship

Holding Company
Fellow subsidiary companies

Particulars
HISIL Limited
HISIL Associates Limited
Halis International Limited
Alchemy International Cooperatief U.A.
Haas International B.V.
Barwood Products Limited

Key management personnel

Mrs. Sumita Somany



Hindware Home Retail Private Limited

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March 2015

(ii) Transactions undertaken/balances outstanding with related parties in the ordinary course business:

Particulars	Holding Company		Key management personnel	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
A Transactions during the year				
(i) Sales of services/products	1,971,333	5,036,349	-	-
(ii) Purchase of trading goods	6,095,882	14,904,586	-	-
(iii) Amount paid by Holding Company on account of expenses pertaining to the Company	789,806	834,319	-	-
(iv) Amount of rent paid by Company on behalf of the Holding Company	971,690	2,926,822	-	-
(v) Amount paid on account of expenses/liabilities on behalf of Holding Company	79,494	177,152	-	-
(vi) Interest expense paid	903,286	201,370	-	-
(vii) Inter-corporate loan received	60,000,000	50,000,000	-	-
(viii) Inter-corporate loan installment paid	60,000,000	50,000,000	-	-
(ix) Issue and allotment of equity/preference shares	100,000,000	200,000,000	-	-
(x) Remuneration paid	-	-	4,569,600	4,039,200
Amount outstanding as at the year end:				
Advance from customers	260,000	-	-	-
Trade payables	5,143,317	-	-	-

42 Previous year's figures have been regrouped/reclassified, wherever considered necessary to make them comparable with those of the current year.

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP

(formerly Walker, Chandiok & Co)

Chartered Accountants

Lalit Kumar

per Lalit Kumar
Partner



Place : Gurgaon

Date : 15 May 2015

For and on behalf of the Board of Directors

Sumita Somany

Sumita Somany

(Director)

DIN-00133612

Heena Garg

Heena Garg

(Company Secretary)

R.B. Kabra

R.B. Kabra

(Director)

DIN-00021886

V.K. Ajmera

V.K. Ajmera

(Chief Financial Officer)