

INDEPENDENT AUDITORS' REPORT**To****The Members of HINDWARE HOME RETAIL PRIVATE LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of **HINDWARE HOME RETAIL PRIVATE LIMITED** (hereinafter called as Company), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the statement of change in equity, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the 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 Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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.

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.

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 control 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. 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.



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

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 March 31, 2017 and its loss and its cash flows, change in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-1** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure-2**.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations as on 31st March, 2017;
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses; and

- iii. There is no amount payable towards investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- iv. The Company has no cash in hand from 08th November, 2016 to 30th December, 2016. Hence, the reporting requirement as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 is not applicable to the company.

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

G. K. Aggarwal
Partner
Membership No.086622



Place: Gurgaon
Date: 9th May, 2017

ANNEXURE-1 TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in our report of even date of **HINDWARE HOME RETAIL PRIVATE LIMITED** (herein after called as "**Company**") on the accounts for the year ended March 31, 2017)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Management in accordance with a phased programme of verification adopted by the Company has physically verified a major portion of the fixed assets. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.

(c) The Company does not have any immovable property i.e. land in the name of the Company. Accordingly, the provisions of clause 3(i) (c) of the order are not applicable to the company hence not commented upon.
2. The company does not have inventory. Accordingly, the provision of clause 3(ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
3. According to the information and the explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii) (a) (b) and (c) of the order are not applicable to the Company and hence not commented upon.
4. The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the order are not applicable to the Company and hence not commented upon.
5. According to the information given to us, the Company has not accepted any deposits under the provisions of section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the companies Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.
6. To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (l) of section 148 of the Companies Act, 2013 in the respect of the Company's Company products and services. Accordingly, the provisions of clause 3(iv) of the order are not applicable to the company



7. (a) According to the information and explanations given to us, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, value added tax, cess and other statutory dues with the appropriate authorities. There are no arrears as at March 31, 2017 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no dues in respect of income tax, Sales tax, service tax, duty of customs, duty of excise or value added tax which have not been deposited with the appropriate authorities on account of any dispute.
8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not taken loans or borrowing from financial institution, bank, government or issued any debentures. Accordingly, the provisions of clause 3(viii) of the order are not applicable to the company.
9. The Company has not raised any money by way of initial public offer or further public offer or debt instruments or by way of term loans. Accordingly, the provisions of clause 3(ix) of the order are not applicable to the Company and hence not commented upon.
10. According to the information and explanations given to us and as represented by the management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, we have been informed that no case of frauds has been committed on or by the Company or by its officers or employees during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. The company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. The Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 w.r.t. transactions with the related parties, where applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with the directors or persons connected with him as covered under Section 192 of the Companies Act, 2013.



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

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

G. K. Aggarwal
Partner
Membership No. 086622



Place: Gurgaon
Date: 9th May, 2017

ANNEXURE-2 TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our report of even date to the members of HINDWARE HOME RETAIL PRIVATE LIMITED on the accounts for the year ended March 31, 2017

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

We have audited the internal financial controls over financial reporting of **HINDWARE HOME RETAIL PRIVATE LIMITED (herein after called as "Company")** as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

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

G. K. Aggarwal
Partner
Membership No. 086622



Place: Gurgaon
Date: 9th May, 2017

Hindware Home Retail Pvt. Ltd.
Balance sheet as at 31 March, 2017

(₹ in lakhs)

	Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
A	ASSETS				
I	Non-current assets				
	(a) Property, plant and equipment	5	0.45	1.52	2.61
	(b) Financial assets				
	Loans	6	2.82	4.31	2.82
	Total non-current assets		3.27	5.83	5.43
II	Current assets				
	(a) Financial assets				
	(i) Trade receivables	7	37.41	146.82	82.49
	(ii) Cash and cash equivalents	8	0.12	0.51	0.51
	(iii) Bank balances other than (ii) above	9	12.47	12.47	10.57
	(iv) Loans	10	0.25	0.25	1.18
	(b) Other current assets	11	37.41	87.72	72.14
	Total current assets		87.66	247.77	166.89
	Total assets (I+II)		90.93	253.60	172.32
B	EQUITY AND LIABILITIES				
I	Equity				
	(a) Equity Share capital	12a	64.00	64.00	64.00
	(b) Other Equity	12b	(92.42)	4.34	23.88
	Total equity		(28.42)	68.34	87.88
	Liabilities				
II	Non-current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	13	51.24	51.24	39.65
	(ii) Other financial liabilities measured at amortised cost	14	15.69	10.73	6.69
	(b) Provisions	15	2.29	2.35	3.30
	Total non-current liabilities		69.22	64.32	49.64
III	Current liabilities				
	(a) Financial liabilities				
	Other financial liabilities measured at amortised cost	16	49.10	117.81	28.54
	(b) Other current liabilities	17	1.01	3.04	6.15
	(c) Provisions	18	0.02	0.09	0.11
	Total current liabilities		50.13	120.94	34.80
	Total equity and liabilities (I+II+III)		90.93	253.60	172.32

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

For and on behalf of the Board of Directors

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

G. K. Aggarwal
Partner
Membership No: 086622



Sumita Somany
Sumita Somany
Whole time Director
DIN-00133612

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

Komal Sinha
Komal Sinha
Company Secretary
M.No. ACS 40103

Ajay Goyal
Ajay Goyal
Chief Financial Officer

Place : Gurugram
Date : 9th May 2017

Hindware Home Retail Pvt. Ltd.

Statement of Profit and Loss for the year ended 31 March, 2017

(₹ in lakhs)

Particulars	Note No.	Year ended 31 March, 2017	Year ended 31 March, 2016
I Revenue from operations	19	319.03	428.93
II Other income	20	1.00	1.04
III Total revenue (I + II)		320.03	429.97
IV Expenses			
Purchases of Stock-in-trade	21	168.28	173.33
Employee benefits expense	22	35.63	78.09
Finance costs	23	10.24	13.64
Depreciation and amortisation expense		1.07	1.09
Other expenses	24	201.51	225.92
Total expenses (IV)		416.73	492.07
V Profit/(loss) before exceptional items and tax (I - IV)		(96.70)	(62.10)
Exceptional items		-	-
VI Profit/(loss) before tax		(96.70)	(62.10)
VII Tax expense			
(1) Current tax		-	-
(2) Deferred tax		-	-
Total tax expense		-	-
VIII Profit/(loss) after tax (VI - VII)		(96.70)	(62.10)
IX Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plan		(0.06)	0.14
X Total comprehensive income for the Year (VIII+IX)		(96.76)	(61.96)
XI Earnings per equity share (of ₹ 10/- each):			
Basic and diluted	33	(15.11)	(9.70)

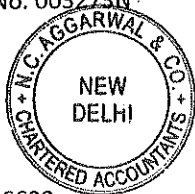
Notes 1 to 37 form an integral part of these financial statements.
In terms of our report attached.

For and on behalf of the Board of Directors

For N. C. Aggarwal & Co.

Chartered Accountants

Firm's Registration No. 003273N



G. K. Aggarwal

Partner

Membership No: 086622

Place : Gurugram

Date : 9th May 2017

Sumita Somany

Sumita Somany

Whole time Director

DIN-00133612

Komal Sinha

Komal Sinha

Company Secretary

M.No. ACS 40103

R.B. Kabra

R.B. Kabra

Director

DIN-00021886

Ajay Goyal

Ajay Goyal

Chief Financial Officer

A. Equity Share Capital

(₹ in lakhs)

	Balance as at April 1, 2015	Changes in equity share capital during	Balance as at March 31, 2016	Changes in equity share capital during 2016-17	Balance as at March 31, 2017
	64.00	-	64.00	-	64.00

B. Other equity

(₹ in lakhs)

Particulars	Reserves and Surplus				Items of other comprehensive income	Total
	Equity component of compound financial instruments	Securities premium reserve	Capital reserve	Retained earnings	Re-measurement of the net defined benefit Plans	
Balance as at 1 April 2015	86.14	42.00	(57.40)	(46.86)		23.88
Profit for the year	-	-	-	(62.10)		(62.10)
Other comprehensive income for the year	-	-	-		0.14	0.14
Total comprehensive income for the year	-	-	-	(62.10)	0.14	(61.96)
Addition during the year	42.42					42.42
Balance as at 31 March 2016	128.56	42.00	(57.40)	(108.96)	0.14	4.34
Profit for the year	-	-	-	(96.70)		(96.70)
Other comprehensive income for the year	-	-	-		(0.06)	(0.06)
Total comprehensive income for the year	-	-	-	(96.70)	(0.06)	(96.76)
Addition during the year	-	-	-	-	-	-
Balance as at 31 March 2017	128.56	42.00	(57.40)	(205.66)	0.08	(92.42)

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

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



G. K. Aggarwal
Partner
Membership No: 086622

Place : Gurugram
Date : 9th May 2017

For and on behalf of the Board of Directors

Sumita Somany
Whole time Director
DIN-00133612

R.B. Kabra
Director
DIN-00021886

Komal Sinha
Company Secretary
M.No. ACS 40103

Ajay Goyal
Chief Financial Officer

Hindware Home Retail Pvt. Ltd.
Cash flow statement for the year ended 31 March 2017

(₹ in lakhs)

	Year ended 31 March, 2017	Year ended 31 March, 2016
CASH INFLOW / (OUTFLOW) FROM THE OPERATING ACTIVITIES		
Net Profit Before Tax	(96.70)	(62.10)
Adjustments for:		
Depreciation and amortisation of non-current assets	1.07	1.09
Finance costs recognised in profit or loss	10.24	13.64
Interest income recognised in profit or loss	(1.00)	(1.04)
Provision for doubtful debts and advances	90.67	-
	4.28	(48.41)
Movements in working capital:		
Increase in trade and other receivables	67.22	(65.82)
(Increase)/decrease in other assets	(11.80)	(13.21)
Decrease in trade and other payables	(70.93)	85.34
	(15.51)	6.31
Cash generated from operations	(11.23)	(42.10)
Income taxes paid	15.11	(2.37)
Net cash generated by operating activities	3.88	(44.47)
Cash flows from investing activities:		
Interest received	1.00	1.97
Movement in other bank balance	-	(1.90)
Net cash (used in)/generated by investing activities	1.00	0.07
Cash flows from financing activities:		
Proceeds from borrowings	-	11.59
Proceeds from issue of Preference Share Capital	-	42.41
Interest paid	(5.27)	(9.60)
Net cash used in financing activities	(5.27)	44.40
Net increase in cash and cash equivalents	(0.39)	-
Cash and cash equivalents (opening balance)	0.51	0.51
Cash and cash equivalents (closing balance)	0.12	0.51
	(0.39)	-

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

For and on behalf of the Board of Directors

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



G. K. Aggarwal
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Sumita Somany
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Company Secretary
M.No. ACS 40103

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

Ajay Goyal
Ajay Goyal
Chief Financial Officer

Place : Gurugram
Date : 9th May 2017

Hindware Home Retail Private Limited

Significant Accounting Policies and Notes of Financial Statement for the year ended 31 March 2017

1. Corporate and General Information

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

2. Basis of preparation

The financial statements have been prepared under IND AS for the financial year beginning on April 1, 2016 with April 1, 2015 as the date of transition. These are the Company's first annual financial statements prepared complying in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2015 (as amended). The financial statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation of its opening IND AS Balance Sheet at April 1, 2015 throughout all periods presented, as if these policies had always been in effect and are covered by IND AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from accounting principles generally accepted in India ("Indian GAAP") which is considered as the previous GAAP, as defined in IND AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as of April 1, 2015 and March 31, 2016 and on the net profit and cash flows for the year ended March 31, 2016 is disclosed in Note no.35 to these financial statements.

The financial statements provide comparative information in respect to the previous year. In addition, the Company presents Balance Sheet as at the beginning of the previous year, which is the transition date to IND AS.

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

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

3.0 Significant Accounting Policies

3.1 Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:


- Certain financial assets and liabilities,
- defined benefit plans – plan assets measured at fair value,

3.2 Property, Plant and Equipment

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

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

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



Hindware Home Retail Private Limited

Significant Accounting Policies and Notes of Financial Statement for the year ended 31 March 2017

3.3 Impairment of non-current assets

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

3.4 Cash and cash equivalents

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

3.5 Inventories

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

3.6 Employee benefits

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

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

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

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

3.7 Foreign currency reinstatement and translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange difference recognised in profit or loss. Differences arising on settlement of monetary items are also recognised in profit or loss.

3.8 Financial instruments – initial recognition, subsequent measurement and impairment

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



Hindware Home Retail Private Limited

Significant Accounting Policies and Notes of Financial Statement for the year ended 31 March 2017

a) Financial Assets

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

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

Trade receivables

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

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

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

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

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

b) Financial Liabilities

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

i. Financial liabilities at fair value through profit or loss

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

ii. Financial liabilities measured at amortised cost

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

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



Hindware Home Retail Private Limited

Significant Accounting Policies and Notes of Financial Statement for the year ended 31 March 2017

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

Trade and other payables

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

3.9 Compound financial instruments

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

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

3.10 Borrowing costs

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

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

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

3.11 Taxation

Income tax expense represents the sum of current and deferred tax.

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

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

3.12 Revenue recognition and other operating income

Sale of Goods

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

Sale of services

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



Hindware Home Retail Private Limited

Significant Accounting Policies and Notes of Financial Statement for the year ended 31 March 2017

Interest income

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

3.13 Earnings per share

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

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

3.14 Provisions and contingencies

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingencies

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

3.15 Current versus non-current classification

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

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

1



Hindware Home Retail Private Limited

Significant Accounting Policies and Notes of Financial Statement for the year ended 31 March 2017

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

3.16 Recent accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to IND AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the company from April 1, 2017.

Amendment to IND AS 7:

The amendment to IND AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

4. Critical accounting estimates, assumptions and judgements

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

(a) Contingencies

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

(b) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.



Hindware Home Retail Pvt. Ltd.

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March 2017

Note 5- Property , Plant and Equipment

		(₹ in lakhs)	
	Particulars	Computer	Total
A	Gross Block		
	As at April 1, 2015	2.61	2.61
	Additions	-	-
	Disposal /Adjustment	-	-
	As at March 31, 2016	2.61	2.61
	Additions	-	-
	Disposal /Adjustment	-	-
	As at March 31, 2017	2.61	2.61
B	Accumulated Depreciation		
	As at April 1, 2015	-	-
	Depreciation charge for the year	1.09	1.09
	Disposal /Adjustment	-	-
	As at March 31, 2016	1.09	1.09
	Depreciation charge for the year	1.07	1.07
	Disposal /Adjustment	-	-
	As at March 31, 2017	2.16	2.16
C	Net Book Value		
	As at April 1, 2015	2.61	2.61
	As at March 31, 2016	1.52	1.52
	As at March 31, 2017	0.45	0.45



Hindware Home Retail Pvt. Ltd.

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March 2017

Note 6 - Non-Current Financial Assets-Loans

Particulars	(₹ in lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Measured at amortised cost			
Unsecured, considered good			
Security deposits	2.82	4.31	2.82
Total Non-Current Financial Assets-Loans	2.82	4.31	2.82

Note 7 - Trade receivables

Particulars	(₹ in lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivables			
Unsecured			
(a) Considered good	37.41	146.82	82.49
(b) Considered doubtful	43.67	-	-
	81.08	146.82	82.49
Less: Provision for doubtful debts and advances	43.67	-	-
Total Trade Receivable	37.41	146.82	82.49

Note 7a - Movement in Provision for doubtful debts

Particulars	(₹ in lakhs)	
	As at March 31, 2017	As at March 31, 2016
Balance at beginning of the year	-	-
Provision created during the year	43.67	-
Balance at end of the year	43.67	-

Note 8 Cash and cash equivalents

Particulars	(₹ in lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current cash and bank balances			
Balance with banks in current account	0.12	0.51	0.51
Total cash and cash equivalent	0.12	0.51	0.51



Hindware Home Retail Pvt. Ltd.

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March 2017

Note 9- Bank balance other than cash and cash equivalents

Particulars	(₹ in lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Fixed deposits with original maturity of more than three months but less than twelve months	12.47	12.47	10.57
Total Bank balance other than cash and cash equivalents	12.47	12.47	10.57

Note 10 - Current financial assets - Loans

Particulars	(₹ in lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Measured at amortised cost			
Unsecured, considered good			
Interest receivable			
Interest accrued on deposits, loans and advances	0.25	0.25	1.18
Total Loans	0.25	0.25	1.18

Note 11 - Other current assets

Particulars	(₹ in lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured, considered good			
(i) Advance income tax	5.12	20.23	17.86
(ii) Balances with government authorities	4.58	5.53	7.39
(iii) Others			
- Advance to supplier			
Considered good	2.42	34.92	23.50
Considered doubtful	47.00	-	-
Less: Provision for doubtful debts and advances	(47.00)	-	-
- Earnest Money Deposits	13.02	14.77	8.54
- Retention Money Receivable	12.27	12.27	14.85
Total Other current assets	37.41	87.72	72.14





Note 12a - Share Capital		(₹ in lakhs)		
Share Capital		As at March 31,	As at March 31,	As at April 1, 2015
Authorised :				
50,000,000 (31st March 2016- 50,000,000 ; 31st March 2015-50,000,000) equity shares of Rs. 10 each		5,000.00	5,000.00	5,000.00
9,000,000 (31st March 2016- 9,000,000 ; 31st March 2015-7,500,000) 0% non cumulative redeemable preference shares of Rs. 100 each		9,000.00	9,000.00	7,500.00
		14,000.00	14,000.00	12,500.00
Issued				
640,000 (31st March 2016-640,000 ; 31st March 2015 640,000) equity shares of Rs. 10 each		64.00	64.00	64.00
179,800 (31st March 2016-179,800; 31st March 2015-125,800) 0% non cumulative redeemable preference shares of Rs. 100 each		179.80	179.80	125.80
		243.80	243.80	189.80
Subscribed and paid up				
640,000 (31st March 2016-640,000 ; 31st March 2015 640,000) equity shares of Rs. 10 each		64.00	64.00	64.00
179,800 (31st March 2016-179,800; 31st March 2015-125,800) 0% non cumulative redeemable preference shares of Rs. 100 each		179.80	179.80	125.80
Less: Reclassification of 0% non cumulative redeemable preference		(179.80)	(179.80)	(125.80)
		64.00	64.00	64.00

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

i) Equity shares

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Number of Shares	(₹ in lakhs)	Number of Shares	(₹ in lakhs)	Number of Shares	(₹ in lakhs)
Shares outstanding at the beginning of the year	6,40,000	64.00	6,40,000	64.00		
Add: Shares issued during the year	-	-	-	-		
Shares outstanding at the end of the year	6,40,000	64.00	6,40,000	64.00	6,40,000	64.00

(ii) Preference shares

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Number of Shares	(₹ in lakhs)	Number of Shares	(₹ in lakhs)	Number of Shares	(₹ in lakhs)
Shares outstanding at the beginning of the year	1,79,800	179.80	1,25,800	125.80		
Add: Shares issued during the year*	-	-	54,000	54.00		
Shares outstanding at the end of the year	1,79,800	179.80	1,79,800	179.80	1,25,800	125.80

* After considering the impact of the scheme(Refer Note No. 34)

(b) Shares held by the holding Company*

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Number of Shares	(₹ in lakhs)	Number of Shares	(₹ in lakhs)	Number of Shares	(₹ in lakhs)
Equity shares of Rs. 10 each						
HSIL Limited (including nominees)	6,40,000	64.00	6,40,000	64.00	6,40,000	64.00
0% Non cumulative redeemable preference shares of Rs 100 each						
HSIL Limited	1,79,800	179.80	1,79,800	179.80	1,25,800	125.80

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

Particulars	March 31, 2017		March 31, 2016		31 March 2015	
	Number of Shares	% of Shares	Number of Shares	% of Shares	Number of Shares	% of Shares
Equity shares of Rs. 10 each						
HSIL Limited (Including nominees)	6,40,000	100.00	6,40,000	100.00	6,40,000	100.00
0% Non cumulative redeemable preference shares of Rs 100 each						
HSIL Limited	1,79,800	100.00	1,79,800	100.00	1,25,800	100.00

(d) Terms and rights attached to shares

i) Equity shares

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

ii) 0% Non cumulative redeemable preference shares

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

- (a) The redeemable preference shares will have preference to receive dividend. The holders of 0% non cumulative redeemable preference shares have no rights to receive notices of, attend or vote at general meetings except in certain limited circumstances.
- (b) On the distribution of the assets of the Company, on winding up or other return of the capital (subject to certain exceptions), the holders of redeemable preference share have priority over the holders of equity shares to receive the capital paid up on those shares.
- (c) 40,000 Preference shares issued dated 31st March 2012 are redeemable at par at any time after giving subscriber a notice of redemption, on or before 31st March 2027.
- (d) 45,800 Preference shares issued dated 30th March 2013 are redeemable at par at any time after giving subscriber a notice of redemption, on or before 30th March 2028.
- (e) 40,000 Preference shares issued dated 28th March 2014 are redeemable at par at any time after giving subscriber a notice of redemption, on or before 28th March 2029.
- (f) 16,000 Preference shares issued dated 30th June 2015 are redeemable at par at any time after giving subscriber a notice of redemption, on or before 30th June 2035.
- (g) 24,000 Preference shares issued dated 17th December 2015 are redeemable at par at any time after giving subscriber a notice of redemption, on or before 17th December 2035.
- (h) 14,000 Preference shares issued dated 23rd March 2016 are redeemable at par at any time after giving subscriber a notice of redemption, on or before 23rd March 2036.

Note: The aforesaid equity and Preference share capital are after taking effect of reduction of capital pursuant to composite scheme of arrangement. (refer Note no. 34)

[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.



Note 12b - Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus				Items of other comprehensive income	Total
	Equity component of compound financial instruments	Securities premium reserve	Capital reserve	Retained earnings	Re-measurement of the net defined benefit Plans	
Balance as at 1 April 2015	86.14	42.00	(57.40)	(46.86)		23.88
Profit for the year	-	-	-	(62.10)		(62.10)
Other comprehensive income for the year	-	-	-		0.14	0.14
Total comprehensive income for the year	-	-	-	(62.10)	0.14	(61.96)
Addition during the year	42.42					42.42
Balance as at 31 March 2016	128.56	42.00	(57.40)	(108.96)	0.14	4.34
Profit for the year	-	-	-	(96.70)		(96.70)
Other comprehensive income for the year	-	-	-		(0.06)	(0.06)
Total comprehensive income for the year	-	-	-	(96.70)	(0.06)	(96.76)
Addition during the year	-	-	-	-	-	-
Balance as at 31 March 2017	128.56	42.00	(57.40)	(205.66)	0.08	(92.42)

Note:

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



Hindware Home Retail Pvt. Ltd.

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March 2017

Note 13- Non current borrowings

Particulars	(₹ in lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Measured at amortised cost			
Unsecured borrowings:			
Loan component of compound financial instruments	51.24	51.24	39.65
Total Non current borrowings	51.24	51.24	39.65

Note 14 - Other Non Current financial liabilities

Particulars	(₹ in lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Other long term liabilities*	15.69	10.73	6.69
Total Other Non Current financial liabilities	15.69	10.73	6.69

* Interest payable on loan component of compound financial instruments

Note 15- Provisions

Particulars	(₹ in lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for employee benefits			
Long-term employee benefits			
Provision for compensated absence	1.58	1.03	1.21
Provision for gratuity	0.71	1.32	2.09
Total Non-Current provisions	2.29	2.35	3.30




Hindware Home Retail Pvt. Ltd.

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March 2017

Note 16- Other Current financial liabilities

Particulars	(₹ in lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Measured at amortised cost			
Payable to employees	1.53	8.71	12.49
Creditors for expenses payable	47.57	109.10	16.05
Total Other financial liabilities	49.10	117.81	28.54

Note 17 - Other Current liabilities

Particulars	(₹ in lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Advances			
Advances received from customers	-	0.53	-
(b) Others			
Statutory dues	1.01	2.51	6.15
Total Other Current Liabilities	1.01	3.04	6.15

Note 18- Current Provisions

Particulars	(₹ in lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for employee benefits			
Long-term employee benefits			
Provision for compensated absence	0.01	0.06	0.07
Provision for gratuity	0.01	0.03	0.04
Total Current Provisions	0.02	0.09	0.11



Hindware Home Retail Pvt. Ltd.

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March 2017

Note 19 Revenue from operations (₹ in lakhs)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
(a) Revenue from sale of goods	295.65	299.04
(b) Revenue from rendering of services	23.38	129.89
Total revenue from operations	319.03	428.93

Note 20 Other income (₹ in lakhs)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Interest income		
On financial assets at amortised cost	1.00	1.04
Total other income	1.00	1.04

Note 21 Purchases of traded goods (₹ in lakhs)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Purchase of Traded Goods	168.28	173.33
Total Purchases of traded goods	168.28	173.33

Note 22 Employee benefits expense (₹ in lakhs)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Salaries and wages, including bonus	32.44	73.77
Contribution to provident and other funds	1.60	2.63
Staff welfare expenses	1.59	1.69
Total Employee benefits expense	35.63	78.09

Note 23 Finance costs (₹ in lakhs)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Interest expense	10.24	13.64
Total finance costs	10.24	13.64

Analysis of interest expenses by category

Interest expenses		
(a) On Financial Liability at Amortised Cost	10.24	13.64
(b) On Financial Liabilities at FVTPL	-	-




Hindware Home Retail Pvt. Ltd.

Significant accounting policies and other explanatory information to financial statements for the year ended 31 March 2017

Note 24 Other expenses

Particulars	(₹ in lakhs)	
	Year ended 31 March, 2017	Year ended 31 March, 2016
Repairs and maintenance:		
Others	6.23	24.52
Rates and taxes	0.06	-
Travelling and conveyance	4.84	6.82
Advertisement and publicity	52.58	73.28
Provision for doubtful debts and advances	90.67	-
Miscellaneous expenses	47.13	121.30
Total Other expenses	201.51	225.92

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Hindware Home Retail Private Limited

Significant Accounting Policies and Notes of Financial Statement for the year ended 31 March 2017

25. Financial risk management

25.1 Financial risk factors

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

i) Market risk

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

ii) Credit risk

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

iii) Liquidity risk.

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

Credit risk

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

- Trade Receivables

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

The ageing of trade receivables is as follows:

(Rs. Lakhs)

Particulars	Not due	Due ageing			Total
		up to 6 months	6 to 12 months	Above 12 months	
As at March 31, 2017					
Trade receivables					
Unsecured	-	29.01	-	52.07	81.08
Less: Provision for doubtful debts	-	-	-	43.67	43.67
Gross Total	-	29.01	-	8.40	37.41

Particulars	Not due	Due ageing			Total
		up to 6 months	6 to 12 months	Above 12 months	
As at March 31, 2016					
Unsecured	-	56.24	3.65	86.93	146.82
Less: Provision for doubtful debts	-	-	-	-	-
Gross Total	-	56.24	3.65	86.93	146.82



Hindware Home Retail Private Limited

Significant Accounting Policies and Notes of Financial Statement for the year ended 31 March 2017

Liquidity risk

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

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

Trade payable ageing and other liabilities

(Rs. Lakhs)

Particulars	Ageing as at March 31, 2017					Total
	Carrying Amount	On demand/ Overdue	< 6 months	6-12 months	> 1 years	
Interest bearing Borrowings	51.24	-	-	-	51.24	51.24
Other financial liabilities	64.79	-	49.10	-	128.56	177.66
Total	116.03	-	49.10	-	179.80	228.90

(Rs. Lakhs)

Particulars	Ageing as at March 31, 2016					Total
	Carrying Amount	On demand/ Overdue	< 6 months	6-12 months	> 1 years	
Interest bearing Borrowings	51.24	-	-	-	51.24	51.24
Other financial liabilities	128.54	-	117.81	-	128.56	246.37
Total	179.78	-	117.81	-	179.80	297.61

Capital risk management

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

26. Fair value of financial assets and liabilities

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

Fair value of financial assets and liabilities

(Rs. Lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
	Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets designated at amortised cost						
Fixed deposits with banks	12.47	12.47	12.47	12.47	10.57	10.57
Cash and bank balances	0.12	0.12	0.51	0.51	0.51	0.51
Trade and other receivables	37.41	37.41	146.82	146.82	82.49	82.49
Loan	3.07	3.07	4.56	4.56	4.00	4.00
	53.07	53.07	164.36	164.36	97.57	97.57
Financial liabilities designated at amortised cost						
Borrowings	51.24	51.24	51.24	51.24	39.65	39.65
Trade & other payables	1.01	1.01	3.04	3.04	6.15	6.15
Other financial liabilities	64.79	64.79	128.54	128.54	35.23	35.23
	117.04	117.04	182.82	182.82	81.03	81.03

4



Hindware Home Retail Private Limited

Significant Accounting Policies and Notes of Financial Statement for the year ended 31 March 2017

Fair Valuation techniques

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

The following methods and assumptions were used to estimate the fair values:

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

Fair Value hierarchy

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

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

27. Segment information

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

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

29. Retirement benefit obligations

29.1. Expense recognised for Defined Contribution plan

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Company's contribution to provident fund	1.42	2.28
Company's contribution to ESI	0.18	0.32
Total	1.60	2.60

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the Balance Sheet as of March 31, 2016 and March 31, 2015, being the respective measurement dates:



Hindware Home Retail Private Limited

Significant Accounting Policies and Notes of Financial Statement for the year ended 31 March 2017

29.2 Movement in obligation

(Rs. Lakhs)

Particulars	Gratuity (unfunded)	Leave encashment (unfunded)
Present value of obligation - April 1, 2015	2.13	1.28
Current service cost	0.31	0.29
Interest cost	0.10	0.09
Benefits paid	(1.04)	(0.66)
Acquisitions / Transfer in/ Transfer out	-	-
Remeasurements - actuarial loss/ (gain)	(0.14)	0.10
Present value of obligation - March 31, 2016	1.36	1.10
Present value of obligation - April 1, 2016	1.36	1.10
Current service cost	0.34	0.30
Interest cost	0.09	0.07
Benefits paid	(1.13)	(0.17)
Acquisitions / Transfer in/ Transfer out	-	-
Remeasurements - actuarial loss/ (gain)	0.06	0.30
Present value of obligation - March 31, 2017	0.72	1.60

29.3 Movement in Plan Assets – Gratuity

(Rs. Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Fair value of plan assets at beginning of year	-	-
Expected return on plan assets	-	-
Employer contributions	-	-
Benefits paid	-	-
Amount received on redemption of plan assets	-	-
Acquisitions / Transfer in/ Transfer out	-	-
Actuarial gain / (loss)	-	-
Fair value of plan assets at end of year	-	-
Present value of obligation	0.72	1.36
Net funded status of plan	(0.72)	(1.36)
Actual return on plan assets	-	-

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

29.4 Recognised in profit and loss

(Rs. Lakhs)

Particulars	Gratuity	Compensated absence
Current Service cost	0.31	0.29
Interest cost	0.10	0.09
Expected return on plan assets	-	-
Remeasurement - Acturial loss/(gain)	(0.14)	0.10
Past service cost	-	-
For the year ended March 31, 2016	0.27	0.48
Current Service cost	0.34	0.30
Interest cost	0.09	0.07
Expected return on plan assets	-	-
Remeasurement - Acturial loss/(gain)	0.06	0.30
Past service cost	-	-
For the year ended March 31, 2017	0.49	0.67
Actual return on plan assets	-	-



Hindware Home Retail Private Limited

Significant Accounting Policies and Notes of Financial Statement for the year ended 31 March 2017

29.5 Recognised in other comprehensive income

(Rs. Lakhs)	
Particulars	Gratuity
Remeasurement - Acturial loss/(gain)	(0.14)
For the year ended March 31, 2016	(0.14)
Remeasurement - Acturial loss/(gain)	0.06
For the year ended March 31, 2017	0.06

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

Weighted average actuarial assumptions	As of March 31, 2017	As of March 31, 2016
Attrition rate		8.00%
Discount Rate	7.54%	5.50%
Expected Rate of increase in Compensation levels	5.50%	5.50%
Expected Rate of Return on Plan Assets	0.00%	0.00%
Mortality rate	IALM (2006-08)	IALM (2006-08)
Expected Average remaining working lives of employees (years)	25.99	26.32

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market. Same assumptions were considered for comparative period i.e. 2014-15 as considered in previous GAAP on transition to IND AS.

29.7 Sensitivity analysis:

(Rs. Lakhs)			
For the year ended March 31, 2017			
Particulars	change in Assumption	Effect on Gratuity obligation	Effect on compensated absence obligation
Discount rate	0.50%	(0.02)	(0.01)
	-0.50%	0.02	0.01
Salary Growth rate	0.50%	0.02	0.01
	-0.50%	(0.02)	(0.01)

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

29.8 History of experience adjustments is as follows:

(Rs. Lakhs)		
Particulars	Gratuity	Compensated absence
For the year ended March 31, 2017		
Plan Liabilities - (loss)/gain	0.01	(0.24)
Plan Assets - (loss)/gain	-	-
For the year ended March 31, 2016		
Plan Liabilities - (loss)/gain	0.10	(0.08)
Plan Assets - (loss)/gain	-	-



Hindware Home Retail Private Limited

Significant Accounting Policies and Notes of Financial Statement for the year ended 31 March 2017

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

(Rs. Lakhs)

Particulars	Gratuity	Compensated absence
01 Apr 2017 to 31 Mar 2018	0.02	0.05
01 Apr 2018 to 31 Mar 2019	0.02	0.02
01 Apr 2019 to 31 Mar 2020	0.02	0.02
01 Apr 2020 to 31 Mar 2021	0.02	0.02
01 Apr 2021 to 31 Mar 2022	0.02	0.02
01 Apr 2022 to 31 Mar 2023	0.02	0.02
01 Apr 2023 Onwards	1.25	0.87

29.9 Statement of Employee benefit provision

(Rs. Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Gratuity	0.72	1.35
Compensated absences	1.59	1.09
Total	2.31	2.44

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

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

For the year ended March 31, 2017

(Rs. Lakhs)

Particulars	Gratuity	Leave Encashment
Current provision	0.01	0.01
Non current provision	0.71	1.58
Total Provision	0.72	1.59

For the year ended March 31, 2016

(Rs. Lakhs)

Particulars	Gratuity	Leave Encashment
Current provision	0.03	0.06
Non current provision	1.32	1.03
Total Provision	1.35	1.09

30. Auditors Remuneration

(Rs. Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Statutory Auditors		
a) Audit Fees	0.09	0.12
b) Tax Audit Fees	0.02	0.03
Total	0.11	0.15

31. Contingent liabilities

The Company does not have any disputed outstanding payable or pending litigation as at 31st March, 2017, which could have an adverse impact on the results of the operation of the company.



Hindware Home Retail Private Limited

Significant Accounting Policies and Notes of Financial Statement for the year ended 31 March 2017

32. Related party transactions

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

Related party name and relationship

1. Holding Company **HSIL Limited**

2. Key Management personnel
(a) Mrs Sumita Somany **Designation**
Whole Time Director

Related Party Transaction

Remuneration drawn is shared between the Transferor Company and Transferee Company based on the size of business.

(Rs. Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Short-Term employee benefits*	1.35	1.84
Post-Employment benefits		
- Defined contribution plan\$	0.08	-
- Defined benefit plan#	-	-
Total	1.43	1.84

* including bonus, setting fee, commission on accrual basis and value of perquisites.

\$ including PF, Leave encashment and any other benefits.

as the liability for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.

(Rs. Lakhs)

	2016-17	2015-16
Transaction with Holding Company	4.96	4.04
Interest on loan Component of compound financial instruments	4.96	4.04

Outstanding Balances

(Rs. Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Amount Payable to Holding Company towards			
Loan component of compound financial instruments	51.24	51.24	39.65
Interest payable	15.69	10.73	6.69
Other payable	40.91	85.62	-



Hindware Home Retail Private Limited

Significant Accounting Policies and Notes of Financial Statement for the year ended 31 March 2017

33. Earnings per share

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

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Issued Equity Shares (nos.)	6,40,000	6,40,000
Weighted Average Shares outstanding - Basic and Diluted (nos.)	6,40,000	6,40,000
Profit / (loss) for the year attributable to owners of the Company (in lakhs)	(96.70)	(62.10)
Weighted Average number of equity shares (nos.)	6,40,000	6,40,000
Earning per share from continuing operations - basic and diluted (Rs.)	(15.11)	(9.70)

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

34. The financials of the Company has been prepared after giving the effect of Composite Scheme of Arrangement as approved by the Hon'ble National Company Law Tribunal at Kolkata, West Bengal vide its order dated 4th May, 2017 entailing de-merger of Retail Division of the Company to HSIL Limited w.e.f. appointed date i.e. 1st April 2015.

Pursuant to the Scheme, all the properties, assets, rights, claims and obligations of the retail division of the Company has been transferred to and vested to HSIL Limited on a going concern basis with effect from the said appointed date of 1st April, 2015. The Scheme has been accounted for as a business combination of entities under the common control. Accordingly, the financial information in these financial statements in respect of prior period has been restated as if the business combination had occurred from the beginning of the financial year ended 31st March, 2016.

Further, pursuant to the Scheme, the effect of the reduction of the capital has been considered in these financial statements and the share capital has been reduced to 6,40,000 equity shares of Rs.10/ each and 1,79,800 preference shares of Rs. 100/- each.

The deficit of the net assets transferred after reduction of capital is debited to Capital Reserve account.

35. Transition to IND AS

These financial statements, for the year ended 31 March 2017, are the first financial statements prepared in accordance with IND-AS. For periods, up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with statutory reporting requirement in India immediately before adopting IND AS ('previous GAAP').

Accordingly, the Company has prepared financial statements which comply with IND-AS applicable for periods ended 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to IND-AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

Impact of transition to IND AS

The following is the summary of the effects of differences between IND AS and Indian GAAP on the Company's total equity shareholder's funds and profit and loss for the financial periods previously reported under Indian GAAP following the date of transition to IND AS

1



Hindware Home Retail Private Limited

Significant Accounting Policies and Notes of Financial Statement for the year ended 31 March 2017

Reconciliation of other equity as at April 1, 2015

(Rs. Lakhs)						
Particulars	Retained Earnings	Equity component of Compound Financial Instruments	Securities Premium	Capital Reserve	Other Comprehensive Income	Total impact on Other Equity
a.) As on March 31, 2015 (as per IGAAP)	(40.18)	125.80	42.00	(57.40)	-	70.22
b.) Adjustments:						
Less: Transfer to loan component of Compound Financial Instruments	-	(39.65)	-	-	-	(39.65)
Less: Interest on loan component of compound financial instruments accounted for	(6.69)	-	-	-	-	(6.69)
Total IND AS Adjustments (b):	(6.69)	(39.65)	-	-	-	(46.34)
c.) As on April 1, 2015 as per Ind AS= (a) + (b)	(46.87)	86.15	42.00	(57.40)	-	23.88

Reconciliation of other equity as at March 31, 2016

(Rs. Lakhs)						
Particulars	Retained Earnings	Equity component of Compound Financial Instruments	Securities Premium	Capital Reserve	Other Comprehensive Income	Total impact on Other Equity
a.) As on March 31, 2016 (as per IGAAP)	(98.09)	179.80	42.00	(57.40)	-	66.31
b.) Adjustments:						
Less: Transfer to loan component of Compound Financial Instruments	-	(51.24)	-	-	-	(51.24)
Less: Actuarial gain/losses on remeasurement of defined benefit plan accounted as other comprehensive income	(0.14)	-	-	-	0.14	-
Less: Interest on loan component of compound financial instruments accounted for	(10.73)	-	-	-	-	(10.73)
Total IND AS Adjustments (b):	(10.87)	(51.24)	-	-	0.14	(61.97)
c.) As on April 1, 2016 as per Ind AS= (a) + (b)	(108.96)	128.56	42.00	(57.40)	0.14	4.34

Note:1. Under Indian GAAP, 0% Non-Cumulative Redeemable Preference shares (NCRPS) are shown as Share Capital. NCRPS is analysed as a compound financial instrument and is separated into a liability and an equity component. The fair value of the liability component is initially measured at amortised cost determined using a market rate for an equivalent non-convertible preference shares. The residual amount is recognised in equity. The finance cost arising on the liability component is included in finance cost in the Statement of Profit and Loss.

Note: 2. Interest on loan component of Compound financial instrument is accounted for.

Note 3: Under the previous Indian GAAP, the actuarial gains/losses arising on defined benefit plan was being charged to the statement of profit and loss. However, under IND AS the same is recognised in other comprehensive income.

Summary of reconciliation of movement in profit and loss on transition to IND AS for year ended March 31, 2016

(Rs. Lakhs)		
Net profit/(loss) as per Indian GAAP	Refer Note No.	(57.92)
Add/(Less) : Adjustments on account of transition to IND AS		
Less: Interest on loan component of compound financial instruments accounted for.	1	(4.04)
Less: Actuarial gain/losses on remeasurement of defined benefit plan accounted as other comprehensive income	2	(0.14)
(A) Net Profit as per IND AS		(62.10)
(B) Add: Other Comprehensive Income		
Less: Actuarial gain/losses on remeasurement of defined benefit plan accounted as other comprehensive income	1	0.14
Total Comprehensive Income (A+B) as per IND AS		(61.96)

Note 1: Actuarial gain/losses on remeasurement of defined benefit plan accounted as other comprehensive income.

Note 2: Interest on loan component of compound financial instruments accounted for.

Hindware Home Retail Private Limited

Significant Accounting Policies and Notes of Financial Statement for the year ended 31 March 2017

36. As per notification no. G.S.R 308 (E) dated 30th March, 2017 prescribed by Ministry of Corporate Affairs, the Company does not have transactions in cash including Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Hence, the reporting requirement as per the said notification is not applicable to the Company.

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

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

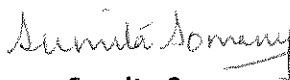
For and on behalf of the Board of Directors

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




G. K. Aggarwal
Partner
Membership No: 086622

Place : Gurugram
Date : 09th May 2017


Sumita Somany
Whole time Director
DIN-00133612


Komal Sinha
Company Secretary
M.No. ACS 40103


R.B. Kabra
Director
DIN-00021886


Ajay Goyal
Chief Financial Officer