

DRAFT INDEPENDENT AUDITOR'S REPORT

To the Members of Hindware Limited (formerly known as Brilloca Limited)

Report on Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone financial statements of Hindware Limited (formerly known as Brilloca Limited) ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IND AS ") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, its Profit total Comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In Connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

It based on the work we have performed, if we conclude that there is a material misstatement therein, we are required to report that fact.

we have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position/; financial performance, total comprehensive income, changes in equity 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. 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Indian Accounting Standard) Rules, 2015 as amended.
 - e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 45 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; an
 - (iii) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above as required by Rule 11(e) of Companies (Audit & Auditors) Rules, 2014, as amended, contains any material mis-statement.
 - v.
 - (a) The final dividend proposed in the previous financial year, declared and paid by the Company during the year, is in compliance with section 123 of the Companies Act, 2013 (Note No. 17).
 - (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members in the ensuing General meeting. The amount of dividend proposed is in accordance with section 123 of the Companies Act, 2013.



- h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act.

For LODHA & CO.
Chartered Accountants
Firm's Registration No.301051E



Shyamal Kumar
Partner

Membership No: 509325

UDIN : 22509325AJC WKF 9984

Place: New Delhi

Date: 17th May 2022



Annexure – A to the Auditors’ Report

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of the Hindware Limited (formerly known as Brilloca Limited) on the financial statements as of and for the year ended 31st March 2022)

- (i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work in progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) As per the physical verification program, Property, Plant and Equipment were physically verified during the year by the Management, program designed to cover all the items over a period of three years in a phased manner (accordingly during the year, certain items have been physically verified) which, in our opinion, provides for physical verification at reasonable having regards to the size of the company and the nature of its property plant and equipment. Based on information and records provided, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the property tax receipts and lease agreements and/ or registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties disclosed (except properties where the Company is the lessee and lease agreements are duly executed in the favour of the Company) in the financial statements and included in property, plant and equipment and are held in the name of the Company as at the balance sheet date except the following:

(Amount in ₹ lakh)

Description of property	As at Balance Sheet Date	Held in name of	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
	Gross Carrying Value	Carrying Value in the financial statements				
Lease hold land Buildings at Kaharani	8,507.08	8,507.08	AGI Greenpac Limited	No	Close of business hours of 31 March 2022	Slump sale transaction executed after close of business

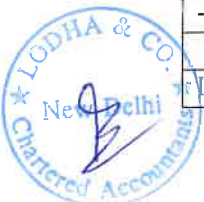


						hours of 31 March 2022
Land & Buildings at Bibinagar	7,972.11	7,972.11	AGI Greenpac Limited	No	Close of business hours of 31 March 2022	Slump sale transaction executed after close of business hours of 31 March 2022

(Note No 55)

- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) According to the Information and explanations given to us and records provided, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) As per the physical verification program, the inventories of the Company (except stock lying with the third parties and in transit, for which confirmations have been received/material received) were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. Discrepancies noticed were not of 10% or more in the aggregate for each class of inventories on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us and as per the records verified, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns / statements (stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information) filed by the Company with such banks or financial institutions are generally in agreement with the unaudited books of account of the Company of the respective quarters.
- (iii)(a) The Company has made investments in, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which details are given below:

(Amount in ₹ lakh)	
	Loans & Investment
A. Aggregate amount granted/provided during the year:	
- Others	
Loan to Holding Company	700.00
Investment in mutual funds	26,281.01



Investment Other	1.00
B. Balance outstanding as at balance sheet date in respect of above cases:*	
- Others	
Loan to Holding Company	1,700.00
Investment in mutual funds	2,709.06
Investment Other	1.00

The Company has not provided guarantee or security to companies, firms, Limited Liability Partnerships or any other parties during the year.

- (b) The investments made during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company to holding company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3 (iii)(f) is not applicable.
- (iv) According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans granted, investments made and guarantees and securities provided, the Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013.
- (v) In our opinion the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted and amounts deemed to be deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.



(vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act, for the business carried out by the Company. Accordingly, paragraph 3(vi) of the order is not applicable.

(vii) (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues with the appropriate authorities to the extent applicable.

There were no undisputed statutory dues payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31st March 2022, for a period of more than six months from the date they became payable except professional tax of Rs. 0.04 lakh.

(b) According to the records and information & explanations given to us, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2022 on account of disputes are given below:

Name of Statute	Nature of Due	Period	Amount involved (In Lakhs)	Forum Where Matter Is Pending
Delhi Sales Tax Act, 1975	Sales Tax	2004-05 to 2010-11	41.69	Additional commissioner
Delhi Sales Tax Act, 1975	Sales Tax	2010 to 2011 to 2014-15	73.05	Additional commissioner
Bihar Vat Act	Sales Tax	2016-17	14.29	Additional commissioner
MVAT Act	MVAT	2007-08	3.28	Assistant Commissioner of Sales Tax
CST Act	CST	2010-11	14.23	Assistant Commissioner of Sales Tax
CST Act	CST	2011-12	16.79	Assistant Commissioner of Sales Tax
CST Act	CST	2012-13	2.03	Deputy Commissioner(State Tax)
MVAT Act	MVAT	2011-12	5.08	Assistant Commissioner of Sales Tax
MVAT Act	MVAT	2012-13	1.84	Deputy Commissioner (Sales Tax), Mumbai
MVAT Act	MVAT	2013-14	5.25	Deputy Commissioner (Sales Tax), Mumbai
Telengana _CST	VAT	2015-16	30.92	The Addl. Commissioner (ST)
CST Act	CST	2015-16	54.59	Special Commissioner, Delhi



Telangana_CST	CST	2016-17	40.23	The Appellate Dy. Commissioner(CT) Hyderabad Rural Division, Hyderabad
Telangana_CST	CST	2017-18	10.47	The Appellate Dy. Commissioner(CT) Hyderabad Rural Division, Hyderabad
Gujarat_CST	VAT	2016-17	40.41	Joint Commissioner Appeal, Gujrat
Gujarat_CST	VAT	2016-17	5.59	Deputy Commissioner Appeal, CCT, Ahmedabad, Gijarat
Kerala	VAT	2013-14	0.08	Assistant Commissioner of Sales Tax
Assam_CST	CST	2014-15	4.17	The Commissioner of Taxes, Assam, Guwahatl, Assam
Jharkhand_VAT	VAT	2014-15	14.29	In the court of Additional Commissioner Commercial Taxes, Jharkhand, Ranchi.
Delhi Sales Tax Act, 1975	CST	2016-17	70.83	Department of Trade and Taxes, New Delhi
Delhi Sales Tax Act, 1975	VAT	2016-17	0.17	The Department of Trade and Taxes, Government of NCT of Delhi
Delhi Sales Tax Act, 1975	VAT	2016-17	1.27	The Department of Trade and Taxes, Government of NCT of Delhi
Delhi Sales Tax Act, 1975	VAT	2016-17	0.21	The Department of Trade and Taxes, Government of NCT of Delhi
Delhi Sales Tax Act, 1975	CST	2017-18	28.55	The Department of Trade and Taxes, Government of NCT of Delhi
Delhi Sales Tax Act, 1975	VAT	2017-18	1.84	Objecting Authority, Department of Trade and Taxes, New Delhi
Chandigarh_VAT	VAT	2014-15	0.10	Deputy Excise And Taxation Commissioner(Appeal), Chandigarh
Chandigarh_CST	CST	2014-15	41.14	Deputy Excise And Taxation Commissioner(Appeal), Chandigarh

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix)(a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.



- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company and based on the representations of the Company, we report that the Company has neither taken any funds from any entity or person during the year nor it has raised funds through issue of shares or borrowings on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its Subsidiaries or joint ventures or associate companies.
- (x)(a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi)(a) Based on the audit procedures performed and on the basis of information and explanations given by the management, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) The company is not required to established vigil mechanism under section 177 of the act, hence reporting under this clause is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations and records made available by the management of the Company and audit procedures performed, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- (xiv)(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.




- (b) We have considered, the internal audit reports issued to the Company during the year and till date in determining the nature timing and extent of our audit procedure.
- (xv) On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and hence reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable. As per the information and representation provided by the management, the group does not have any Core Investment Company(CIC) within the group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016).
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company and/ or certificate with respect to meeting financial obligations by the Company as and when they fall due. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.



(xxi) The Company has not prepared the Consolidated Financial Statements by availing the exemption mentioned in the Notification 742(E) dated 27th July 2016 issued by Ministry of Corporate Affairs and paragraph 4(a) of Ind AS 110 "Consolidated Financial Statements" and accordingly reporting under clause 3(xxi) of the Order is not applicable.

For **LODHA & CO.**
Chartered Accountants
FRN: 301051E


Shyamal Kumar

Partner
Membership No. 509325
Place: New Delhi
Dated: 17th May 2022



ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Hindware Limited (formerly known as Brilloca Limited)("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of director of the company is responsible for establishing and maintaining internal financial controls based on the Internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective 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 internal financial controls over financial reporting of the company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 were 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 judgement, including the assessment of the risks of material misstatement of the standalone 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 internal financial controls system over financial reporting of the company.



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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **LODHA & CO.**

Chartered Accountants

FRN: 301051E

Shyamal Kumar

Partner

Membership No: 509325

Place: New Delhi

Dated: 17th May 2022



Hindware Limited (Formerly Brilloca Limited)
Standalone Balance Sheet as at 31 March 2022

(₹ in lakh)


Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	4a	46,595.01	7,734.84
(b) Right-to-use Asset	4a	18,622.22	2,635.85
(c) Capital work-in-progress	4b	5,192.01	89.68
(d) Goodwill	4c	191.00	-
(e) Other intangible assets	5	220.17	66.76
(f) Financial assets			
(i) Investments	6	39.85	50.50
(ii) Loans	7	1,700.00	1,000.00
(iii) Other financial asset	8	663.38	291.37
(g) Deferred tax assets (net)	22	1,516.15	1,165.80
(h) Other non-current assets	9	1,472.20	111.78
Total non-current assets		76,211.99	13,146.58
2 Current assets			
(a) Inventories	10	53,161.47	15,239.32
(b) Financial assets			
(i) Investments	11	2,709.06	2,564.02
(ii) Trade receivables	12	16,516.65	24,706.52
(iii) Cash and cash equivalents	13	2,341.59	491.08
(iv) Other financial assets	14	1,342.40	877.51
(c) Other current assets	15	7,429.78	7,273.32
Total current assets		83,500.95	51,151.77
Total assets		1,59,712.94	64,298.35
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	16	490.00	490.00
(b) Other equity	17	34,682.51	25,435.32
Total equity		35,172.51	25,925.32
2 Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	-	2,978.64
(ii) Lease liabilities	19	15,022.13	2,363.81
(iii) Other financial liabilities	20	3,660.26	2,983.89
(b) Provisions	21	1,014.38	630.86
(c) Other non-current liabilities	23	317.59	88.39
Total non-current liabilities		20,014.36	9,045.59
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	32.58	4,952.67
(ii) Lease liabilities	25	1,552.19	446.64
(iii) Trade payables	26		
- Due to micro and small enterprise		3,809.94	1,929.38
- Due to others		13,207.24	2,188.96
(iv) Other financial liabilities	27	78,743.62	14,167.41
(b) Other current liabilities	28	6,557.77	4,813.09
(c) Provisions	29	538.53	49.71
(d) Current tax liabilities (net)	30	84.20	779.58
Total current liabilities		1,04,526.07	29,327.44
Total liabilities		1,24,540.43	38,373.03
Total equity and liabilities		1,59,712.94	64,298.35




The accompanying notes form an integral part of the Standalone financial statements.
As per our report of even date attached


For and on behalf of the Board of Directors


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


G.L. Smitania
Director
DIN: 00060931


Sandip Somany
Chairman and Managing Director
DIN: 00053597


Shyamal Kumar
Partner
M. No. 509325
Place : New Delhi
Date : 17 May 2022


Payal M. Puri
Company Secretary
ACS No.: 16068


Sandeep Sikka
Chief Financial Officer
Place : Gurugram
Date : 17 May 2022



Hindware Limited (Formerly Brilloca Limited)

Standalone statement of Profit and Loss for the year ended 31 March 2022

(₹ in lakh)

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
I Income			
Revenue from operations	31	1,79,545.63	1,26,196.01
Other income	32	2,472.24	1,822.12
Total income		1,82,017.87	1,28,018.13
II Expenses			
Purchases of stock-in-trade	33	1,29,864.62	83,620.48
Changes in inventories of stock-in-trade	34	(5,327.17)	2,420.58
Employee benefits expense	35	17,586.70	12,877.83
Finance costs	36	559.71	1,535.54
Depreciation and amortisation expense	37	2,508.36	2,375.18
Other expenses	38	21,421.83	15,875.55
Total expenses		1,66,614.05	1,18,705.16
III Profit before exceptional items and tax (I-II)		15,403.82	9,312.97
IV Profit before tax (III + IV)		15,403.82	9,312.97
V Tax expense	39		
(1) (a) Current tax		4,116.96	2,863.33
(b) Earlier year income tax		-	(427.44)
(2) Deferred tax		(365.45)	(315.24)
Total tax expense		3,751.51	2,120.65
VI Profit for the year (IV-V)		11,652.31	7,192.32
VII Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of the defined benefit plan		59.98	205.45
(ii) Income-tax relating to these items		(15.10)	(51.71)
Other comprehensive income, net of tax		44.88	153.74
VIII Total comprehensive income for the year (VI + VII)		11,697.19	7,346.06
IX Earnings per equity share (of ₹ 2/- each)			
Basic and diluted	44	47.56	29.36



The accompanying notes form an integral part of the Standalone financial statements.
As per our report of even date attached

For and on behalf of the Board of Directors

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


G.L. Subhania
Director
DIN: 00060931


Sandip Somany
Chairman and Managing Director
DIN: 00053597


Shyamal Kumar
Partner
M. No. 509325
Place : New Delhi
Date : 17 May 2022


Payal M. Puri
Company Secretary
ACS No.: 16068


Sandeep Sikka
Chief Financial Officer

Place : Gurugram
Date : 17 May 2022



Hindware Limited (Formerly Brilloca Limited)
Standalone cash flow statement for the year ended 31 March 2022

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities		
Profit before exceptional items and tax	15,403.82	9,312.97
Adjustments for:		
Finance costs	559.71	1,535.54
Interest income	(156.08)	(137.92)
Gain on disposal of property, plant and equipment	(9.15)	(7.82)
Loss on disposal of property, plant and equipment	116.20	0.70
Net (gain) arising on current investments	(138.52)	(4.80)
Sundry balances and liabilities no longer required, written back	(2,036.26)	(1,650.54)
Provision for expected credit loss	823.63	954.20
Provision for doubtful advances	635.75	66.93
Bad debts written off	-	5.44
Impairment loss	11.66	76.94
Depreciation and amortisation expenses	2,508.36	2,375.18
Lease concession / liability written back	(74.78)	(90.30)
Net foreign exchange (gain)	(165.65)	(87.11)
Operating profit before working capital changes	17,478.69	12,349.41
Working capital adjustments :		
(Increase)/decrease in trade and other receivables	6,969.06	(694.49)
(Increase)/decrease in inventories	(5,745.00)	2,314.00
(Increase)/decrease in other assets	1,551.17	(1,634.96)
Increase/(decrease) in trade and other payables	12,216.74	7,906.11
Increase/(decrease) in provisions	444.82	85.65
	15,436.79	7,976.31
Cash generated from / (used in) operations	32,915.48	20,325.72
Income taxes paid	(4,812.34)	(2,353.89)
Income taxes refund	-	143.45
Net cash generated from / (used in) operating activities	28,103.14	18,115.28
Cash flows from investing activities:		
Payments to acquire financial assets	(26,281.01)	(2,603.01)
Proceeds on sale of financial assets	26,273.48	-
Interest income	144.11	137.92
Amount paid to AGI Greenpac (refer note 59)	(10,900.00)	-
Loan to related party	(700.00)	(1,000.00)
Payments for property, plant and equipment	(3,300.62)	(1,390.99)
Proceeds from disposal of property, plant and equipment	24.98	114.17
Net Cash generated from / (used in) investing activities	(14,739.04)	(4,741.91)
Cash flows from financing activities:		
Repayment of borrowings	(3,328.37)	(178.04)
Movement in short term borrowings (net)	(4,570.36)	(10,946.47)
Principal payment of lease liability	(567.69)	(376.31)
Interest payment of lease liability	(309.07)	(275.57)
Dividends paid to owners of the Company	(2,450.00)	-
Interest paid	(288.10)	(1,280.19)
Net Cash generated from / (used in) financing activities	(11,513.59)	(13,056.58)
Net increase / (decrease) in cash and cash equivalents:	1,850.51	316.79
Cash and cash equivalents at the beginning of the year	491.08	174.29
Cash and cash equivalents at the end of the year	2,341.59	491.08



Hindware Limited (Formerly Brilloca Limited)
 Standalone cash flow statement for the year ended 31 March 2022

The movement in liabilities from financing activities:

Particulars	As at 31st March, 2022	Cash flow	Non-cash flow changes - Other		As at 31st March, 2022
			Foreign exchange	Other	
Long term borrowings	3,331.96	(3,328.37)	-	-	3.59
Short term borrowings	4,599.35	(4,570.36)	-	-	28.99
Total liabilities from financing activities	7,931.31	(7,898.73)	-	-	32.58

Particulars	As at 31st March, 2021	Cash flow	Non-cash flow changes - Other		As at 31st March, 2021
			Foreign exchange	Other	
Long term borrowings	3,510.00	(178.04)	-	-	3,331.96
Short term borrowings	15,545.82	(10,946.47)	-	-	4,599.35
Total liabilities from financing activities	19,055.82	(11,124.51)	-	-	7,931.31



Hindware Limited (Formerly Brilloca Limited)
Standalone cash flow statement for the year ended 31 March 2022

The accompanying notes form an integral part of the Standalone financial statements.
As per our report of even date attached

For and on behalf of the Board of Directors

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



Shyamal Kumar
Partner
M. No. 509325
Place : New Delhi
Date : 17 May 2022




C.L. Sultania
Director
DIN: 00060931



Payal M. Puri
Company Secretary
ACS No.: 16068



Sandip Somany
Chairman and Managing Director
DIN: 00053597



Sandeep Sikka
Chief Financial Officer
Place : Gurugram
Date : 17 May 2022



Hindware Limited (Formerly Brilloca Limited)
Standalone statement of changes in equity for the year ended 31 March 2022

a. Equity share capital		(₹ in lakh)	
Particulars	Number of shares	Amount	
Issued and paid up capital			
Balance as at 1 April 2020	5,00,000	10.00	
Changes in equity share capital during the year*	2,40,00,000	480.00	
Balance as at 31 March 2021	2,45,00,000	490.00	
Changes in equity share capital during the year	-	-	
Balance as at 31 March 2022	2,45,00,000	490.00	

b. Other equity		(₹ in lakh)			
Particulars	Reserves and surplus				Total
	Securities Premium Account	General Reserve	Retained Earnings	Actuarial gain / (loss)	
Balance as at 1 April 2020	3,913.05	1,323.86	13,324.35	8.00	18,569.26
Profit for the year	-	-	7,192.32	-	7,192.32
Other comprehensive income for the year (net of income tax)	-	-	-	153.74	153.74
Total comprehensive income for the year	-	-	7,192.32	153.74	7,346.06
Issue of bonus shares *	(480.00)	-	-	-	(480.00)
Balance as at 31 March 2021	3,433.05	1,323.86	20,516.67	161.74	25,435.32
Profit for the year	-	-	11,652.31	-	11,652.31
Other comprehensive income for the year (net of income tax)	-	-	-	44.88	44.88
Total comprehensive income for the year	-	-	11,652.31	44.88	11,697.19
Payment of Dividend	-	-	(2,450.00)	-	(2,450.00)
Balance as at 31 March 2022	3,433.05	1,323.86	29,718.98	206.62	34,682.51

* Ordinary equity shares allotted as fully paid up bonus shares during financial year 2020-21 (bonus shares of ₹480.00 lakh, i.e. 2,40,00,000 bonus equity shares of ₹ 2/- each fully paid up).



The accompanying notes form an integral part of the Standalone financial statements.
As per our report of even date attached

For and on behalf of the Board of Directors

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



Shyamal Kumar
Partner
M. No. 509325
Place : New Delhi
Date : 17 May 2022



G.L. Sharma
Director
DIN: 00060931



Sandip Somany
Vice Chairman and Managing Director
DIN: 00053597



Payal M. Puri
Company Secretary
ACS No.: 16068



Sandeep Sikka
Chief Financial Officer

Place : Gurugram
Date : 17 May 2022



Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2022

1. Corporate information

Hindware Limited (the 'Company') (formerly known as Brilloca Limited) is a public limited company incorporated in India under the Companies Act 2013. The registered office of the Company is located in Kolkata and the corporate office is in Gurugram. The Company is engaged into the business of trading of Building products. The Company is wholly owned subsidiary of Somany Home Innovation Limited.

These financial statements were approved and authorized for issue in accordance with the resolution of the Company's Board of Directors on 17th May 2022.

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

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

2.1 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

i. **Amendments to Ind AS 103: Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

ii. **Amendments to Ind AS 16: Proceeds before intended use**

The amendments clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of Property Plant and Equipment.

iii. **Amendment to Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification.

iv. **Amendment to Ind AS 116 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

v. **Amendment to Ind AS 109: Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

The Company does not expect the above amendments to have any significant impact in its financial statements.



Hindware Limited (Formerly Brilloca Limited) Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2022 (contd.)

3. Significant accounting policies and other explanatory information

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

The standalone financial statements of the Company have been prepared in accordance with Ind AS notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. (as amended) and presentation requirement of division II of the schedule III of the companies act 2013. Accordingly, the standalone financial statements for the year ended 31 March 2022 are prepared complying applicable Ind AS.

3.2 Historical cost convention

These standalone financial statements have been prepared on a historical cost convention except where certain financial assets and liabilities have been measured at fair value. (refer accounting policy of financial instruments)

3.3 Business combinations

Business combinations involving entities under common control are accounted for using the pooling of interest's method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

The Company accounts for business combinations using the acquisition method of accounting, and accordingly, the identifiable assets acquired and the liabilities assumed in the business are recorded at their acquisition date fair values (except certain assets and liabilities which are required to be measured as per the applicable standard) The consideration transferred for the acquisition of a business is aggregation of the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Company in exchange for control of the business.

The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any contingent consideration transferred is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is subsequently measured at fair value with changes in fair value recognised in statements of profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

3.4 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

3.5 Revenue Recognition

Revenue from contracts with customers are recognized when the performance obligation towards customer have been made i.e on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue is recognized net of sales reductions such as discounts and sales incentives granted. This variable consideration is estimated based on the expected value of outflow.



Hindware Limited (Formerly Brilloca Limited) Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2022 (contd.)

Sale of products:

Revenue from the sale of products is recognized when the Company has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Company will collect the consideration to which it is entitled to in exchange for the goods.

Sales-related warranties associated with the goods are integral to sales price and cannot be purchased separately, hence they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Company accounts for warranties in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Rendering of services:

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

Interest and dividends

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

3.6 Leases

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves the use of an identified asset
- (ii) The Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.



Hindware Limited (Formerly Brilloca Limited) Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2022 (contd.)

3.7 Foreign currency transactions and translations

Initial recognition

The Company's standalone financial statements are presented in INR, which is also the Company's functional currency. Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Treatment of exchange difference

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

3.8 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 capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale.

All other borrowing costs are expensed in the period in which they are incurred and reported in finance cost.

3.9 Employee benefits

Employee benefits include provident fund, pension fund, gratuity and compensated absences.

Defined contribution plans

The Company's contribution to provident fund and pension fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees. The Company has no legal or constructive obligation to pay contribution in addition to its fixed contribution.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using 'the Projected Unit Credit method', with actuarial valuations being carried out at each Balance Sheet date. Re-measurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:



Hindware Limited (Formerly Brilloca Limited) Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2022 (contd.)

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are allowed to be carried forward over a period in excess of 12 months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date out of which the obligations are expected to be settled.

3.10 Taxation

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

Current tax

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

Deferred tax

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income.

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

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

3.11 Operating cycle

Based on the nature of products/activities of the Company and the normal time between purchase of raw materials and their realisation in cash or cash equivalents, the Company has determined its operation cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3.12 Operating expenses

Operating expenses are recognised in statement of profit or loss upon utilisation of the service or as incurred. Expenditure for warranties is recognised when the Company incurs an obligation, which is usually when the related goods are sold.

3.13 (a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Property, plant and equipment are stated at their original cost including freight, duties, taxes and other incidental expenses relating to acquisition and installation.



Hindware Limited (Formerly Brilloca Limited) Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2022 (contd.)

The carrying amount of assets, including those assets that are not yet available for use, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, recoverable amount of asset is determined. An impairment loss is recognised in the statement of profit and loss whenever the carrying amount of an asset exceeds its recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(b) Intangible assets

Intangible are stated at cost less accumulated amortisation and impairment losses, (if any). Cost related to technical assistance for new projects are capitalized.

(c) Capital work-in-progress

Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment. Capital work-in-progress includes capital inventory.

3.14 Depreciation and amortisation

Depreciation is charged on a pro-rata basis on the straight line method at rates prescribed in Schedule II to the Companies Act, 2013 and is charged to the statement of profit and loss. Freehold land is not depreciated. The estimated useful life of the items of property, plant and equipment are as follows:

Asset class	Useful life
Property, plant and equipment	
Plant and machinery	7.5-40 years** #
Buildings	10-70 years^
Furniture and fixtures	10 years
Office equipment	5 years
Computer	3-6 years
Vehicles	8 years*
Intangible assets	
Software	6 years

* Vehicles are being depreciated using written down value method as per life of 8 years mentioned in Schedule II of the Act

** Moulds, included in Plant and machinery, are depreciated over a lesser useful life than mentioned in above table depending on the actual use of the asset

Plant and machinery of the pipe division are depreciated over a life of 10 to 20 years which is different from life prescribed in Schedule II of the Act, based on independent chartered engineer certificate

^Temporary sheds, included in buildings are depreciated over a lesser useful life than mentioned in above table depending on the actual use of the asset



Hindware Limited (Formerly Brilloca Limited) Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2022 (contd.)

3.15 Impairment of property, plant and equipment and intangible assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.

3.16 Investment in Associates, Joint Ventures and Subsidiaries

The Company has accounted for its investment in subsidiaries, associates and joint venture at cost less impairment, if any

3.17 Investment in Mutual Funds

Investments in Mutual Funds are accounted for at cost. Any subsequent fair value gain or loss is recognized through Profit or Loss Account.

3.18 Cash and cash equivalents

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

3.19 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

3.20 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises of all costs of purchase, (net of tax credits where applicable) costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Costs of inventories are determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

3.21 Provisions and contingencies

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

3.22 Equity, reserves and dividend payments

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.



Hindware Limited (Formerly Brilloca Limited) Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2022 (contd.)

Retained earnings include current and prior period retained profits. All transactions with owners of the Company are recorded separately within equity.

Dividend distribution payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

3.23 Earnings per share

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

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

3.24 Fair value measurement

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

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

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

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

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

3.25 Financial instruments

I. Financial assets

a. Initial recognition and measurement

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

b. Subsequent measurement

(i) Financial assets carried at amortised cost

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



Hindware Limited (Formerly Brilloca Limited) Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2022 (contd.)

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

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

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

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

c. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets measured at amortised cost and assets measured at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 40 details how the Company determines whether there has been a significant increase in credit risk.

d. Derecognition of financial assets

A financial asset is derecognised when:

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

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

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of the ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial assets. Where the Company retains control of the financial assets, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

II. Financial liabilities

a. Initial recognition and subsequent measurement

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

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

III. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realization on future date.



Hindware Limited (Formerly Brilloca Limited) Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2022 (contd.)

IV. Offsetting of financial instruments

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

3.26 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

3.27 Significant accounting judgements, estimates and assumptions

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

Estimates and assumptions

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

(i) Estimation of defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(ii) Estimation of current tax and deferred tax

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

(iii) Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain property, plant and equipment.



Hindware Limited (Formerly Brilloca Limited) Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2022 (contd.)

(iv) Impairment of trade receivables

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 recognised based on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

(v) Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (refer note 40).



Hindware Limited (Formerly Brillco Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 4a - Property, plant and equipment

Description of assets	Total										
	Land- Freehold*	Right to use - Land	Buildings*	Lease hold improvement	Right to use - Building	Plant and equipment	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
I. Gross block											
Balance as at 1 April 2020	-	-	-	-	3,344.48	5,183.40	391.70	5,371.85	726.56	517.69	15,535.68
Additions	-	-	-	25.06	746.12	57.82	42.77	667.35	231.32	432.99	2,203.43
Disposals/adjustment	-	-	-	-	(499.61)	(2.91)	(19.00)	-	(90.09)	(189.36)	(800.97)
Balance as at 31 March 2021	-	-	-	25.06	3,590.99	5,238.31	415.47	6,039.20	867.79	761.32	16,938.14
Additions	-	-	-	-	14,963.88	72.00	182.29	1,329.67	204.33	385.71	17,137.88
Disposals/adjustment	-	-	-	-	(878.36)	-	(11.79)	(482.33)	(47.41)	(22.00)	(1,442.49)
Assets acquired under business acquisition (refer note 59)	4,328.62	2,355.00	9,796.29	-	-	23,323.64	158.29	345.63	114.43	433.96	40,855.86
Balance as at 31 March 2022	4,328.62	2,355.00	9,796.29	25.06	17,676.51	28,633.95	744.26	7,232.17	1,139.14	1,558.39	73,489.39
II. Accumulated depreciation and amortisation											
Balance as at 1 April 2020	-	-	-	-	528.48	924.63	213.56	2,234.20	534.92	172.96	4,608.75
Depreciation and amortisation charge for the year	-	-	-	3.10	607.02	349.93	58.95	1,054.69	147.20	112.79	2,333.68
Disposals/adjustment	-	-	-	-	(180.36)	(0.73)	(18.00)	-	(67.80)	(108.09)	(374.98)
Balance as at 31 March 2021	-	-	-	3.10	955.14	1,273.83	254.51	3,288.89	614.32	177.66	6,567.45
Depreciation and amortisation charge for the year	-	-	-	5.34	777.39	364.55	72.32	820.27	167.89	252.29	2,460.05
Disposals/adjustment	-	-	-	-	(323.24)	-	(10.24)	(367.42)	(38.84)	(15.60)	(755.34)
Balance as at 31 March 2022	-	-	-	8.44	1,409.29	1,638.38	316.59	3,741.74	743.37	414.35	8,272.16
Net block (1-II)											
Balance as at 31 March 2022	4,328.62	2,355.00	9,796.29	16.62	16,267.22	26,995.57	427.67	3,490.43	395.77	1,144.04	65,217.23
Balance as at 31 March 2021	-	-	-	21.96	2,635.85	3,964.48	160.96	2,750.31	253.47	583.66	10,370.69

Refer note 18 for details of property, plant and equipment hypothecated as security by the Company

*Refer note 55 for details of title deeds of land and building not held in the name of the Company



Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 4b - Capital work-in-progress

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Capital work in progress	5,192.01	89.68
	5,192.01	89.68

Details and Ageing of CWIP

As at 31st March 2022 (₹ in lakh)

Particulars	Amount in CWIP for a period of				Total
	less than year*	1 to 2 years	2 to 3 years	more than 3 years	
Project in progress	5,179.77	11.89	0.35	-	5,192.01

*Assets acquired under business acquisition (refer note 59)

As at 31st March 2021 (₹ in lakh)

Particulars	Amount in CWIP for a period of				Total
	less than year*	1 to 2 years	2 to 3 years	more than 3 years	
Project in progress	74.09	15.59	-	-	89.68

There are no projects which are overdue / over-run as on 31 March, 2022 as well as 31 March, 2021

Note 4c - Goodwill

(₹ in lakh)

Particulars	As at	As at
	31 March 2022	31 March 2021
Goodwill (refer note 59)	191.00	-
	191.00	-

Reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period

Particulars	(₹ in lakh)
	Amount
Balance as at 1 April 2020	-
Impairment for the year	-
Balance as at 31 March 2021	-
Goodwill generated under business acquisition (refer note 59)	191.00
Balance as at 31 March 2022	191.00

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 5 - Other intangible assets

Description of assets	(₹ in lakh)	
	Computer software	Total
I. Gross block		
Balance as at 1 April 2020	491.04	491.04
Disposals/adjustment	(9.89)	(9.89)
Balance as at 31 March 2021	481.15	481.15
Additions	150.91	150.91
Assets acquired under business acquisition (refer note 59)	50.80	50.80
Balance as at 31 March 2022	682.86	682.86
II. Accumulated amortisation		
Balance as at 1 April 2020	382.48	382.48
Amortisation charge for the year	41.50	41.50
Disposals/adjustment	(9.59)	(9.59)
Balance as at 31 March 2021	414.39	414.39
Amortisation charge for the year	48.30	48.30
Disposals/adjustment	-	-
Balance as at 31 March 2022	462.69	462.69
Net block (I-II)		
Balance as on 31 March 2022	220.17	220.17
Balance as on 31 March 2021	66.76	66.76

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 6 - Non current investments

(₹ in lakh)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
I. Unquoted investments (fully paid-up) (At cost)				
Investments in equity instruments				
Neycer India Limited (face value ₹ 10 each) (refer note 59)	125	0.01	-	-
Water Management & Plumbing Skill Council (Formerly Indian Plumbing Skills Council)	10,000	1.00	-	-
Investment in Subsidiaries measured at cost less impairments, if any				
Halis International Limited, Mauritius (Equity share, face value USD 1 each)	17,05,000	782.50	17,05,000	782.50
Less : Provision for impairment of investments		<u>(782.50)</u>		<u>(782.50)</u>
Halis International Limited, Mauritius (Preference Share, face value USD 1 each)	21,06,000	1,228.15	21,06,000	1,228.15
Less : Provision for impairment of investments		<u>(1,189.31)</u>		<u>(1,177.65)</u>
Unquoted investments		39.85		50.50
Total investments carried at cost		39.85		50.50
Other disclosures				
Aggregate amount of unquoted investments		2,011.66		2,010.65
Aggregate amount of impairment in value of investments		1,971.81		1,960.15

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Hindware Limited (Formerly Brilloca Limited)**Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022****Note 7 - Non-current financial assets - loans****(₹ in lakh)**

Particulars	As at 31 March 2022	As at 31 March 2021
(unsecured and considered good unless otherwise specified, as considered by the management)		
Loans to related party *	1,700.00	1,000.00
	1,700.00	1,000.00

*Given to Somany Home Innovation Limited for normal business operations

Note 8 - Other non-current financial assets**(₹ in lakh)**

Particulars	As at 31 March 2022	As at 31 March 2021
(unsecured and considered good unless otherwise specified, as considered by the management)		
Other bank balances		
- Deposit account with other banks for more than 1 year^	23.34	-
Other financial assets		
Security deposits*	640.04	291.37
	663.38	291.37

^Deposited with government departments / courts as security ₹ 23.34 lakh

* Including of AGI Greenpac Limited nil (previous year ₹ 2.52 lakh)

Note 9 - Other non-current assets**(₹ in lakh)**

Particulars	As at 31 March 2022	As at 31 March 2021
(unsecured and considered good, unless stated otherwise, as considered by the management)		
Capital advances	1,329.27	19.10
Considered doubtful	15.15	15.15
Less : Provision for doubtful advances	(15.15)	(15.15)
Prepaid expenses	30.29	0.18
Balances with government authorities	111.64	91.50
Others	1.00	1.00
	1,472.20	111.78

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 10 - Inventories

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
(valued at cost or net realisable value, whichever is lower)		
Raw materials @	20,199.63	-
Work-in-progress	3,639.30	-
Finished goods (including stock in trade) @	27,567.94	15,114.00
Stores and spares	755.07	125.16
Packing material	849.01	0.16
Oils, fuels, lubricants and others	150.52	-
	53,161.47	15,239.32
@Included above, goods-in-transit:		
Raw materials	3,523.19	-
Finished goods (including stock in trade)	220.67	5.64
	3,743.86	5.64

Refer note 24 for information on inventory hypothecated as security by the Company

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Hindware Limited (Formerly Brilloca Limited)**Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022****Note 11 - Current investments**

Particulars	(₹ in lakh)			
	As at 31 March 2022		As at 31 March 2021	
	Units	Amount	Units	Amount
<u>Fair value through profit and loss (FVTPL)</u>				
<u>Quoted investments</u>				
Investments in mutual fund				
UTI Overnight Fund-Direct Growth Plan	17,184.72	500.07	10,700.32	301.50
Aditya Birla Sun Life overnight fund- Growth direct plan	-	-	36,093.27	401.70
Axis Overnight Fund Direct Growth	35,593.95	400.02	1,70,253.23	1,852.22
HDFC Overnight Fund-Direct Plan-Growth Option	57,010.74	1,800.09	-	-
HDFC Liquid Fund-Regular Plan-Growth	213.999	8.88	213.999	8.60
		2,709.06		2,564.02
Other disclosures				
Aggregate cost of quoted investments		2,708.69		2,559.66
Aggregate market value of quoted investments		2,709.06		2,564.02

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 12 - Trade receivables

Particulars	As at	
	31 March 2022	31 March 2021
(i) Trade receivables considered good - Secured	1,284.21	1,510.10
(ii) Trade receivables considered good - Unsecured*	15,232.44	23,196.42
(iii) Trade receivables with significant increase in credit risk	2,936.94	3,534.82
(iv) Trade receivables with credit impaired	-	-
	19,453.59	28,241.34
Less: Allowance for bad & doubtful debts	2,936.94	3,534.82
	16,516.65	24,706.52

Ageing As at 31 March 2022

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months*	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	8,500.89	5,694.67	680.03	686.02	557.49	-	16,119.10
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	91.22	186.43	802.27	1,079.92
(iv) Disputed Trade Receivables– considered good	0.12	1.94	26.29	110.72	258.48	-	397.55
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	17.31	86.42	1,753.29	1,857.02
Total	8,501.01	5,696.61	706.32	905.27	1,088.82	2,555.56	19,453.59
Less: Allowance for bad & doubtful debts	-	-	-	108.53	272.85	2,555.56	2,936.94

*including acquired under business acquisition (refer note 59)

Ageing As at 31 March 2021

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	13,879.42	7,978.45	573.92	1,026.67	560.06	-	24,018.52
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	113.88	187.35	1,700.66	2,001.89
(iv) Disputed Trade Receivables– considered good	-	8.58	26.20	222.16	431.06	-	688.00
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	24.68	142.97	1,365.28	1,532.93
Total	13,879.42	7,987.03	600.12	1,387.39	1,321.44	3,065.94	28,241.34
Less: Allowance for bad & doubtful debts	-	-	-	138.56	330.32	3,065.94	3,534.82

Movement in the allowance for provision for impairment/Expected credit loss

Particulars	As at	
	31 March 2022	31 March 2021
Opening balance	3,534.82	2,580.62
Expected credit losses provided for during the year (refer note 38)	823.63	954.20
Amount written back during the year (net) (refer note 38)	(1,421.51)	-
	2,936.94	3,534.82

Trade receivables are hypothecated against the borrowings obtained by the Company as referred in note 24

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 13 - Cash and cash equivalents

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Balances with banks	2,257.48	86.51
Cheques, drafts on hand	18.11	-
Cash in hand	1.70	2.18
Remittance in transit	64.30	402.39
	2,341.59	491.08

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

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Hindware Limited (Formerly Brilloca Limited)**Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022****Note 14 - Current financial assets - Other financial assets**

Particulars □	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
(unsecured and considered good by the management)		
Security deposits-Current*	62.11	59.59
Interest accrued on deposits, loans and advances	11.96	
Other receivable ^	1,268.33	817.92
	1,342.40	877.51

* Including of AGI Greenpac Limited of ₹ 62.11 Lakh (previous year ₹ 59.59 lakh)

^ Including of AGI Greenpac Limited of ₹ 209.98 lakh (previous year nil), Somany Home Innovation Limited of ₹ 114.70 lakh (previous year ₹ 816.46 lakh) and Hintastica Private Limited of ₹ 92.71 lakh (previous year ₹ 1.46 lakh)

Note 15 - Other current assets

Particulars □	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
(unsecured and considered good by the management)		
Prepaid expenses	312.30	48.81
Balances with government authorities	5,474.72	3,456.58
Others		
- Advance to suppliers #	1,012.22	2,883.54
Considered doubtful	41.36	41.36
less : Provision against Advance to Vendors	(41.36)	(41.36)
- Employee advances	47.79	23.54
- Other current assets *	582.75	860.85
Considered doubtful	684.25	30.00
less : Provision against Advance to Vendors	(684.25)	(30.00)
	7,429.78	7,273.32

* Including of Somany Home Innovation Limited of nil (previous year ₹ 168.50 lakh)

Including of AGI Greenpac Limited of nil (previous year ₹ 2,078.91 lakh)

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 16 - Equity share capital

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	(₹ in lakh)	No. of shares	(₹ in lakh)
Authorised:				
Equity shares of ₹ 2 each	3,00,00,000	600.00	3,00,00,000	600.00
Issued:				
Equity shares of ₹ 2 each	2,45,00,000	490.00	2,45,00,000	490.00
Subscribed and fully paid:				
Equity shares of ₹ 2 each (refer note (e) below)	2,45,00,000	490.00	2,45,00,000	490.00
	2,45,00,000	490.00	2,45,00,000	490.00

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	(₹ in lakh)	Number	(₹ in lakh)
Equity shares outstanding at the beginning of the year	2,45,00,000	490.00	5,00,000	10.00
Add: Shares issued during the year (refer note (e) below)	-	-	2,40,00,000	480.00
Equity shares outstanding at the end of the year	2,45,00,000	490.00	2,45,00,000	490.00

(b) Statement of changes in promoters stake

Shares held by promoters[^] at the end of the year

S.no	Promoter name	No of shares as on 1 April 2021	% of total holding	No of shares as on 31 March 2022	% of total holding	% change during the year
1	Somany Home Innovation Limited	2,44,99,706	99.9988%	2,44,99,706	99.9988%	No change
2	Rajendra Kumar Somany	49	0.0002%	49	0.0002%	
3	Niranjan Kumar Goenka	49	0.0002%	49	0.0002%	
4	Girdhari Lal Sultania	49	0.0002%	49	0.0002%	
5	Ajay Kumar Dokania	49	0.0002%	49	0.0002%	
6	Manoj Kumar Agarwal	49	0.0002%	49	0.0002%	
7	Ravi Kedia	49	0.0002%	49	0.0002%	
	Total	2,45,00,000	100.00%	2,45,00,000	100.00%	

[^] Promoter here means promoter as defined in the Companies Act, 2013.

(c) Terms and rights attached to equity shares

The Company has issued only one class of equity shares having par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after settling of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) List of shareholders holding more than 5% of the equity share capital of the Company as at: *

Particulars	31 March 2022		31 March 2021	
	Number	% of holding	Number	% of holding
Somany Home Innovation Limited** (including nominee)	2,45,00,000	100.00	2,45,00,000	100.00

* Information is furnished as per shareholder register as at the year end.

** Holding company

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Hindware Limited (Formerly Brilloca Limited)

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

Note 16 - Equity share capital (contd.)

(e) Board of Directors in their meeting held on 6th November 2020 had approved issue of bonus shares of ₹480 lakh, i.e. 2,40,00,000 bonus equity shares of ₹ 2/- each fully paid up (in the proportion of 48 equity shares for every 1 (one) equity share held) of the Company, out of balance available in the Securities Premium Account. Subsequent to approval of Shareholders obtained in their extra ordinary general meeting held on 1st December 2020, shares were allotted in the meeting held on 14th December 2020 of Corporate Affairs Committee of Board of Directors. Accordingly, the paid up shares capital of the Company increased from ₹10 lakh to ₹490 lakh (from 5,00,000 nos. to 2,45,00,000 nos.).

(f) Aggregate value of Issued, Subscribed and Paid-up Share Capital as on the Balance Sheet date for the period of preceding five years includes:

- Aggregate of 2,40,00,000 (31st March, 2021: 2,40,00,000) Equity shares of ₹2 each allotted during the year ended 31 March 2021, as fully paid-up bonus shares without payment being received in cash. Except this, there are no buyback and/or issue of shares other than in cash.

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Hindware Limited (Formerly Brilloca Limited)
Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 17- Other equity

Particulars	Reserves and surplus				Total
	Securities Premium Account	General Reserve	Retained Earnings	Actuarial gain / (loss)	
Balance as on 1st April 2020	3,913.05	1,323.86	13,324.35	8.00	18,569.26
Profit for the year			7,192.32	153.74	7,192.32
Other comprehensive income for the year (net of income tax)					
Total comprehensive income for the year			7,192.32	153.74	7,346.06
Bonus issue (refer note 16(e))	(480.00)				(480.00)
Balance as at 31 March 2021	3,433.05	1,323.86	20,516.67	161.74	25,435.32
Profit for the year			11,652.31		11,652.31
Other comprehensive income for the year (net of income tax)				44.88	44.88
Total comprehensive income for the year			11,652.31	44.88	11,697.19
Payment of Dividend			(2,450.00)		(2,450.00)
Balance as at 31 March 2022	3,433.05	1,323.86	29,718.98	206.62	34,682.51

Nature and purpose of other reserve:

1. Securities premium account is used to record the premium on issue of shares. The same is utilised in accordance with the provisions of the Act
2. General reserves were created by transferring certain amount out of profits at the time of distribution of dividend in the past



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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 18 - Non current financial liabilities - Borrowings

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Measured at amortised cost		
Secured:		
Term loan from bank:		
Rupee loan [^]	-	3,325.00
Term loans from NBFC:		
Vehicle loan	3.59	6.96
	<u>3.59</u>	<u>3,331.96</u>
Less: Current maturities of long term borrowing (refer note 24)	3.59	353.32
	<u>-</u>	<u>2,978.64</u>

[^] Loan was originally repayable in 14 half yearly installments starting from June 2020, now fully repaid

*Vehicle loan carrying ₹ 3.59 lakh (previous year ₹ 6.96 lakh), is secured by way of hypothecation of the respective vehicle thus purchased and repayable in 12 monthly instalments from 1 April 2022 carrying interest rate @ 8.99% p.a..

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Hindware Limited (Formerly Brilloca Limited)

**Significant accounting policies and other explanatory information to the Standalone financial statements
as at and for the year ended 31 March 2022**

Note 19 - Non-current financial liabilities - Lease liability

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Lease liability (Refer note 49)	15,022.13	2,363.81
	<u>15,022.13</u>	<u>2,363.81</u>

Note 20 - Non-current financial liabilities - Other financial liabilities

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Trade deposits	3,660.26	2,983.89
	<u>3,660.26</u>	<u>2,983.89</u>

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Hindware Limited (Formerly Brilloca Limited)**Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022****Note 21 - Non-current liabilities - Provisions**

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Provision for employee benefit		
Long-term employee benefits		
Provision for compensated absences	576.00	328.35
Provision for long service award	82.31	70.87
Provision for warranty	356.07	231.64
	1,014.38	630.86

Particulars	(₹ in lakh) Amount
Details of movement in provision for warranty (including current portion)	
Balance as at 1 April 2020	186.64
Additional provisions recognised (included in Other expenses)	45.00
Utilised during the year	-
Balance as at 31 March 2021	231.64
Additional provisions recognised (included in Other expenses)	59.98
Liability assumed on Business acquisition (refer note 59)	64.45
Utilised during the year	-
Balance as at 31 March 2022	356.07

Warranty claims:

The provision for warranty claims represent the present value of best estimate of the future outflow of economic benefits that will be required under the Company obligations for warranties under the local sale of goods. The estimate has been made based on historical warranty trends and may vary as a result of new materials, altered manufacturing process or other events. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on warranty period of certain products up to 12 years.

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 22 - Deferred tax assets (net)

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Deferred tax liability arising on account of		
Unrealised foreign exchange gain	-	1.25
	<u>-</u>	<u>1.25</u>
Deferred tax asset arising on account of		
Difference between book balance and tax balance of property, plant and equipment and Right-to-use asset (net of lease liability)	382.36	193.42
Provision for doubtful debts and loans and advances	926.24	907.60
Provision for employee benefits	199.42	42.31
Others	8.13	23.72
	<u>1,516.15</u>	<u>1,167.05</u>
Deferred tax assets (net)	<u>1,516.15</u>	<u>1,165.80</u>

Deferred tax assets (net) in relation to: (₹ in lakh)

Particulars	As at 1 April 2021	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2022
	Deferred tax liability arising on account of			
Unrealised foreign exchange gain	1.25	(1.25)	-	-
Sub total	1.25	(1.25)	-	-
Deferred tax asset arising on account of				
Difference between book balance and tax balance of property, plant and equipment and Right-to-use asset (net of lease liability)	193.42	188.94	-	382.36
Provision for doubtful debts and loans and advances	907.60	18.64	-	926.24
Provision for employee benefits	42.31	172.21	(15.10)	199.42
Others	23.72	(15.59)	-	8.13
Sub total	1,167.05	364.20	(15.10)	1,516.15
Net deferred tax assets	1,165.80	365.45	(15.10)	1,516.15

Deferred tax assets (net) in relation to: (₹ in lakh)

Particulars	As at 1 April 2020	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2021
	Deferred tax liability arising on account of			
Unrealised foreign exchange gain	-	1.25	-	1.25
Sub total	-	1.25	-	1.25
Deferred tax asset arising on account of				
Difference between book balance and tax balance of property, plant and equipment	80.09	113.33	-	193.42
Provision for doubtful debts and loans and advances	662.43	245.17	-	907.60
Provision for employee benefits	86.78	7.24	(51.71)	42.31
Others	72.97	(49.25)	-	23.72
Sub total	902.27	316.49	(51.71)	1,167.05
Net deferred tax assets	902.27	315.24	(51.71)	1,165.80

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 23 - Other non-current liabilities

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Employee related payables	317.59	88.39
	<u>317.59</u>	<u>88.39</u>

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Hindware Limited (Formerly Brilloca Limited)**Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022****Note 24 - Current financial liabilities - Borrowings**

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Secured borrowings		
From banks		
Cash credit - loans repayable on demand	28.99	572.49
Working capital demand loan	-	4,026.86
	28.99	4,599.35
Current maturities of long-term borrowings (refer note 18)	3.59	353.32
	3.59	353.32
	32.58	4,952.67

Details of security and term of repayment of each type of borrowing:

- The interest rate for the above Cash credit is MCLR + 0.65 % p.a.
- Working Capital and Cash credit facilities are secured by hypothecation of Inventories, finished / semi-finished goods / receivables of the Company. The Working Capital facilities and cash credit facilities are repayable on demand.
- The company has been sanctioned a working capital limit in excess of Rs. 5 crore, in aggregate, at points of time during the year, from bank on the basis of security of current assets. The quarterly returns/ statements filed by the company with the bank, are generally in agreement with the unaudited books of accounts of the company of the respective quarters, and differences if any are not material and are not having any impact over actual withdrawal utilization of working capital limits.

Note 25 - Current financial liabilities - Lease liability

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2022
Lease liability (Refer note 49)	1,552.19	446.64
	1,552.19	446.64

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 26 - Trade payables

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Due to Micro, Small and Medium Enterprises (MSME)	3,809.94	1,929.38
Other than Due to Micro, Small and Medium Enterprises (MSME)	13,207.24	2,188.96
	17,017.18	4,118.34

* Including of AGI Greenpac Limited of ₹ 4,393.59 lakh (previous year ₹ 230.57 lakh)

Ageing As at 31 March 2022

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due*	Less than 1yr	1 to 2 years	2 to 3 years	More than 3 years	
i MSME	0.35	3,582.90	226.69	-	-	-	3,809.94
ii Others	465.22	11,629.50	1,047.69	11.35	3.88	49.60	13,207.24
iii Disputed-MSME	-	-	-	-	-	-	-
iv Disputed-Others	-	-	-	-	-	-	-

* including assumed on Business acquisition (refer note 59)

Ageing As at 31 March 2021

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1yr	1 to 2 years	2 to 3 years	More than 3 years	
i MSME	-	1,924.75	4.63	-	-	-	1,929.38
ii Others	26.23	1,687.38	385.33	34.49	50.74	4.79	2,188.96
iii Disputed-MSME	-	-	-	-	-	-	-
iv Disputed-Others	-	-	-	-	-	-	-

Disclosure under MSME Act, 2006

Dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 to the extent identified and information available with the Company pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006, details as certified by the management are mentioned below:

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Principal amount overdue remaining unpaid to any supplier	66.13	17.14
Interest due thereon remaining unpaid to any supplier	0.52	0.61
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during the year	2.82	63.47
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	3.06	136.27
Liability assumed under business acquisition (refer note 59)	45.24	-
Interest accrued and remaining unpaid	182.36	136.88

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 27 - Current financial liabilities - Other financial liabilities

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings	0.03	37.49
Earnest money deposits	16.63	4.21
Security deposits/retention money payable	431.62	45.72
Others		
Towards capital creditors	314.75	3.97
Employee related payables	3,386.47	2,027.01
Towards expenses payable *	2,029.14	1,269.63
Commission payable to directors	144.54	248.85
Gratuity payable (net of obligation)	104.46	67.69
Other payables ^	72,315.98	10,462.84
	78,743.62	14,167.41

* Including payable to AGI Greenpac Limited nil (previous year ₹ 178.80 lakh)

^ Including payable to AGI Greenpac Limited ₹ 59,095.55 lakh (previous year nil) (refer note 59)

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 28 - Other current liabilities

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Advances received from customers	951.13	613.67
Payable towards statutory dues	5,606.64	4,199.42
	6,557.77	4,813.09

Note 29 - Current liabilities - Provisions

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Long-term employee benefits		
Provision for compensated absences	276.34	45.21
Provision for long service award	262.19	4.50
	538.53	49.71

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 30 - Current tax liabilities (net)

(₹ in lakh)

Particulars	As at 31 March 2022 .	As at 31 March 2021
Provision for Income tax opening	779.58	554.13
Provision for the year	4,116.96	2,863.33
Earlier year income tax	-	(427.44)
	4,896.54	2,990.02
Less: Advance tax paid	4,812.34	2,210.44
	84.20	779.58

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Hindware Limited (Formerly Brilloca Limited)**Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022****Note 31 - Revenue from operations****(₹ in lakh)**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of goods	1,75,701.79	1,23,807.35
Sale from rendering of services	19.26	21.11
Other operating revenue @	3,824.58	2,367.55
	1,79,545.63	1,26,196.01

Segment wise revenue information

a) Building Products	1,79,545.63	1,26,196.01
b) Others	-	-
Total	1,79,545.63	1,26,196.01
Total income from operations	1,79,545.63	1,26,196.01

ii) Unsatisfied Performance Obligation

Aggregated amount of Transaction Price allocated to the contracts that are fully or partially unsatisfied at the end of the reporting period

i) Sale of Goods	951.13	613.67
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iii) Reconciliation of contract price vis a vis revenue recognised in profit and loss statement is as follows:-**Contract Price**

a) Sale of goods & services	3,02,059.19	2,10,650.49
b) Sale of Service	19.26	21.11
c) Other operating revenue	3,824.58	2,367.55

Adjustment:-

Discount/Rebate	1,26,357.40	86,843.14
Revenue recognised in the statement of profit and loss account	1,79,545.63	1,26,196.01

@ Other operating revenues comprise of:

Sundry balances and liabilities no longer required, written back	2,036.26	1,650.54
Gain on foreign exchange fluctuations	165.65	87.11
Insurance claims received	52.76	60.34
Scrap sales	20.38	9.52
Miscellaneous receipts	1,549.53	560.04
	3,824.58	2,367.55

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 32 - Other income

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income on financial assets	156.08	137.92
Rental income	0.04	0.08
Profit on sale of current investments (net)	138.15	0.71
Profit on sale of property, plant and equipment	9.15	7.82
Gain arising on financials instruments designated as at FVTPL (net)	0.37	4.09
Management fee	2,121.35	1,515.16
Miscellaneous income	47.10	156.34
	2,472.24	1,822.12

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 33 - Purchases of traded goods

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Sanitaryware and other products(net)	1,29,864.62	83,620.48
	1,29,864.62	83,620.48

Note 34 - Changes in inventories of stock-in-trade

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories at the end of the year:		
Finished goods (including stock in trade) (A)	27,567.94	15,114.00
	27,567.94	15,114.00
Inventories at the beginning of the year:		
Finished goods (including stock in trade) (B)	15,114.00	17,534.58
	15,114.00	17,534.58
Inventory (Finished goods) transferred under Business acquisition (refer note 59 (c))	7,126.77	-
Changes in inventories of stock-in-trade (D=A+B+C)	(5,327.17)	2,420.58

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Hindware Limited (Formerly Brilloca)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 35 - Employee benefits expense

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	16,159.41	11,793.91
Contribution to provident funds and other funds	747.43	629.55
Staff welfare expenses	679.86	454.37
	17,586.70	12,877.83

Note 36 - Finance cost

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense on financial liabilities	247.51	1,126.35
Interest on lease liability (Refer note 49)	309.07	275.57
Other	3.13	133.62
	559.71	1,535.54

Note 37 - Depreciation and amortisation

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation and amortisation of Property, plant and equipment (Refer note 4a)	1,682.67	1,726.66
Amortisation of other intangible assets (Refer note 5)	48.30	41.50
Depreciation on right to use - Building (Refer note 4a)	777.39	607.02
	2,508.36	2,375.18

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Hindware Limited (Formerly Brilloca Limited)**Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022****Note 38 - Other expenses****(₹ in lakh)**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spares	19.38	8.31
Consumption of packing material	579.07	400.70
Repairs and maintenance:		
Buildings	4.46	5.54
Plant and machinery	8.43	1.87
Others	484.22	404.96
Rent (including lease charges)	935.98	961.47
Rates and taxes	13.97	5.61
Directors sitting fees	5.30	4.30
Independent Directors Commission	144.54	-
Insurance	821.82	239.53
Travelling and conveyance	2,518.17	1,653.64
Commission on sales	367.45	334.66
Freight and forwarding charges	97.63	111.95
Advertisement and publicity	4,992.13	3,776.68
Transportation and forwarding	6,431.87	4,615.74
Sales promotion expenses *	408.82	249.86
Other selling expenses	564.21	409.13
Provision for expected credit loss (refer note 12)	823.63	954.20
Provision for doubtful advances/debts	635.75	66.93
Bad debts written off	1,421.52	
Less: Withdrawal from expected credit loss (refer note 12)	<u>(1,421.52)</u>	5.44
Corporate social responsibility expenditure (refer note 50)	111.51	42.00
Charity and donation	-	26.00
Loss on sale of property, plant and equipment	116.20	0.70
Management fees	1.69	249.67
Provision against diminution in Investment	11.66	76.94
Miscellaneous expenses	1,323.94	1,269.72
	21,421.83	15,875.55

* Including of warranty expenses

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 39 Current tax and deferred tax**(a) Income tax expense through profit and loss****(₹ in lakh)**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax:		
Current income tax charge (including Minimum alternate tax)	4,116.96	2,863.33
Earlier year income tax	-	(427.44)
	4,116.96	2,435.89
Deferred tax:		
In respect of current year origination and reversal of temporary differences	(365.45)	(315.24)
	3,751.51	2,120.65

(b) Income tax on other comprehensive income**(₹ in lakh)**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax		
Re-measurement of defined benefit obligations	(15.10)	(51.71)
	(15.10)	(51.71)

(c) Numerical reconciliation between average effective tax rate and applicable tax rate :

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Company at 25.168% (31 March 2021: 25.168%) and the reported tax expense in the statement of profit and loss are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Profit / (loss) before tax	15,403.82	9,312.97
Domestic tax rate for the Company	25.168%	25.168%
Income tax computed for the Company	3,876.83	2,343.89
Tax effect of :		
- Non deductible expenses	69.60	77.56
- Tax rate difference	(11.06)	-
- Earlier year income tax	-	(427.44)
Others	(183.86)	126.64
Income-tax recognised in statement of profit and loss	3,751.51	2,120.65

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note - 40 Financial instruments and risk review

Capital management

The Company manages its capital to be able to continue as a going concern while maximising the returns to shareholders through optimisation of the debt and equity balance. The capital structure consists of debt which includes the borrowings as disclosed in note 18 and 24; cash and cash equivalents as disclosed in note 13 and equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained earnings as disclosed in the Statement of changes in equity. For the purpose of calculating gearing ratio, debt is defined as non current and current borrowings (excluding derivatives). Equity includes all capital and reserves of the Company attributable to equity holders of the Company. The Company is not subject to externally imposed capital requirements. The Board reviews the capital structure and cost of capital on an annual basis but has not set specific targets for gearing ratios. The risks associated with each class of capital are also considered as part of the risk reviews presented to the Board of Directors.

The following table summarises the capital of the Company

	Note	As at 31 March 2022	As at 31 March 2021
Equity		35,172.51	25,925.32
Liquid assets (cash and cash equivalent and current investments) (a)		5,050.65	3,055.09
Current borrowings	24	28.99	4,599.35
Non-current borrowings	18	-	2,978.64
Current maturities of non current borrowings	24	3.39	352.32
Total debt (b)		32.58	7,931.31
Net debt [c = (b) - (a)]		(5,018.07)	4,876.22
Total capital (equity + net debt)		30,154.44	30,801.54

Gearing ratio

Debt to equity	(1) ⁱⁱ	31 ⁱⁱ
Net debt to equity ratio	NA*	19 ⁱⁱ

* At the year end, no long term borrowing was outstanding, except for vehicle loan

Categories of financial instruments

Categories of financial assets/(liabilities)

Particulars	Notes	31 March 2022			31 March 2021		
		Carrying value	Gain/(loss) to income	Gain/(loss) to equity	Carrying value	Gain/(loss) to income	Gain/(loss) to equity
Financial assets measured at amortised costs							
Trade receivable	12	16,516.65	-	-	24,706.52	-	-
Loans	7	1,700.00	-	-	1,000.00	-	-
Other financial assets	14, 8	2,005.78	-	-	1,168.88	-	-
Cash and bank balances	13	2,341.59	-	-	491.08	-	-
Investments	6	39.85	-	-	50.50	-	-
Total Financial assets measured at amortised costs		22,603.87	-	-	27,416.98	-	-
Financial assets measured at fair value							
Investments	11	2,709.06	0.37	-	2,564.02	4.09	-
Derivative contracts	13	-	-	-	-	-	-
Financial assets at fair value		2,709.06	0.37	-	2,564.02	4.09	-
Total financial assets		25,312.93	0.37	-	29,981.00	4.09	-
Financial liabilities measured at amortised cost							
Current payables	24, 26, 27	95,793.38	-	-	23,238.42	-	-
Lease liabilities	19, 25	16,574.32	-	-	2,810.45	-	-
Non-current payables	20	3,660.26	-	-	2,983.89	-	-
Non-current borrowings	18	-	-	-	2,978.64	-	-
Financial liabilities measured at amortised cost		1,16,027.96	-	-	32,011.40	-	-
Total financial assets/(liabilities)		(90,715.03)	0.37	-	(2,030.40)	4.09	-

Financial risk management objective

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

The use of any derivative is approved by the management, which provide guidelines on the acceptable levels of interest rate risk, credit risk, foreign exchange risk and liquidity risk and the range of hedging requirement against these risks.

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Note - 40 Financial instruments and risk review (contd.)**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 financial loss. The Company is exposed to credit risk for receivables, cash and cash equivalents, short term investments, financial guarantee and derivative financial instruments.

Cash and cash equivalents and short term investments

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

Trade receivables

The Company extends credits to customer in normal course of the business. The Company considers the factors such as credit track record in the market of each customer and past dealings for extension of credit to the customer. The Company monitors the payment track record of each customer and 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 at several jurisdiction and industries and operate in large independent markets. The Company also takes advances and security deposits from customers which mitigate the credit risk to an extent.

The average credit period taken on sales of goods is 30 to 60 days. Generally, no interest has been charged on the receivables. Allowances against doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Before accepting any new customer, the Company uses an internal credit system to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed periodically. There are no customers who represent more than 10 per cent of total net revenue from operations.

The Company does not hold any collateral or other credit enhancements over any of its trade receivables nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Expected credit loss:

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected credit loss (%)
Not due for payment	0
Up to 6 months	0
From 6 months to 1 year	0
From 1 year to 3 years	10 to 100
More than 3 years	100

Ageing of trade receivables

Period	As at	
	31 March 2022	31 March 2021
Not due for payment	8,501.01	13,879.42
Up to 6 months*	5,696.61	7,987.03
From 6 months to 1 year	706.32	600.12
From 1 year to 3 years	1,994.09	2,708.83
More than 3 years	2,555.56	3,065.94

*including acquired under business acquisition (refer note 59)

Ageing of impaired trade receivables

Period	As at	
	31 March 2022	31 March 2021
Up to 6 months	-	-
From 6 months to 1 year *	-	-
From 1 year to 3 years	381.38	468.88
More than 3 years	2,555.56	3,065.94

* Based upon lifetime expected credit loss

Liquidity risk:

Liquidity risk reflects the risk that the Company will have insufficient resources to meet its financial liabilities as they fall due.

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities so that it does not breach borrowing limits.



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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note - 40 Financial instruments and risk review (contd.)

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

Particulars	As at 31 March 2022				Total
	Notes	not later than one year	later than one year and not later than five years	later than five years	
Financial liabilities					
Borrowings - bank loans	18, 24	32.58	-	-	32.58
Current payables	20, 25, 26, 27	98,353.95	-	-	98,353.95
Non-current payables	19	-	9,452.88	13,666.68	23,119.56
Total		98,386.53	9,452.88	13,666.68	1,21,506.09

Particulars	As at 31 March 2021				Total
	Notes	not later than one year	later than one year and not later than five years	later than five years	
Financial liabilities					
Borrowings - bank loans	18, 24	4,952.67	2,103.64	875.00	7,931.31
Current payables	20, 25, 26, 27	18,951.78	-	-	18,951.78
Non-current payables	19	-	2,130.62	3,806.14	5,936.76
Total		23,904.45	4,234.26	4,681.14	32,819.85

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk, including:

Forward foreign exchange contract to hedge the exchange rate risk arising on the export and import of its products.

Currency risk

The Company undertakes various transactions denominated in foreign currencies, consequently, exposure to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The Company transacts business primarily in Indian Rupee, USD, Euro and AED. The Company has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adopted a policy of selective hedging based on risk perception of the management. Foreign exchange hedging contracts are carried at fair value.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Currency	(in lakh)	
		As at 31 March 2022	As at 31 March 2021
Trade receivables	USD	2.40	5.77
Trade payables	USD	65.15	0.91
	EUR	0.15	0.19
Currency rate		As at 31 March 2022	As at 31 March 2021
USD		73.8071	73.5047
EUR		84.6599	86.0990

Of the above foreign currency exposures, following exposures are not hedged:

Particulars	Currency	(in lakh)	
		As at 31 March 2022	As at 31 March 2021
Trade receivables	USD	2.40	5.77
Trade payables	USD	65.15	0.91
	EUR	0.15	0.19

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note - 40 Financial instruments and risk review (contd.)

Sensitivity analysis

The following table demonstrates the sensitivity of profit and equity in USD, Euro, GBP and AED to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities is given below:

Currency	Change in currency exchange rate	Effect on profit before tax	
		31 March 2022	31 March 2021
USD	5%	(237.84)	17.87
	-5%	237.84	(17.87)
EUR	5%	(0.64)	(0.80)
	-5%	0.64	0.80

This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the Company at the end of each reporting period.

Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debts. Its objective in managing its interest rate risk is to ensure that it always maintain sufficient head room to cover interest payment from anticipated cash flows which is regularly reviewed by the board/nominated committee as well.

The following table demonstrates the sensitivity in the interest rate with all other variables held constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the interest rates is given below :

Particulars	Change in interest rate	Effect on profit before tax	
		31 March 2022	31 March 2021
Long term borrowings from bank	0.50%	-	(16.66)
	-0.50%	-	16.66

Commodity risk

The Company is exposed to the movement in the price of key traded goods in the domestic and international markets. The Company has in place policies to manage exposure to fluctuation the prices of key traded goods. The Company enter into contracts for procurement of traded goods, most of the transactions are short term fixed price contract and a few transactions are long term fixed price contracts.

Note 41 - Fair value measurement

Fair valuation techniques and inputs used

Financial assets	Fair value as at 31 March 2022	Fair value as at 31 March 2021	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
						(₹ in lakh)
Current investments	2,709.06	2,564.02	1	-	-	-

Other financial instruments

The carrying amount of the financial assets and liabilities carried at amortised cost is considered a reasonable approximation of fair value.

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 42 - Employee benefits**A. Defined contribution plan**

The Company operates defined contribution retirement benefit plans for all employees. The Provident Fund contributions are made to Regional Provident Fund, the Company has no further obligations beyond its monthly contributions.

The Company's contribution to Provident Fund and Superannuation Fund aggregating to ₹ 573.45 lakh (previous year ₹ 440.31 lakh) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

B. Defined benefit plans**Gratuity**

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company Scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity Scheme administered by the Birla Sun Life Insurance Company Limited.

Details of the Company's defined benefit plans are as follows:

Particulars	(₹ in lakh)	
	Gratuity (Funded plan)	
	31 March 2022	31 March 2021
Current service cost	164.35	141.31
Net interest expense/(income)	2.68	4.43
Components of defined benefit costs recognised in profit or loss	167.03	145.74
Net actuarial (gain)/loss	(68.81)	(42.01)
Expected return on plan assets excluding interest income	8.83	(163.44)
Components of defined benefit costs recognised in other comprehensive income	(59.98)	(205.45)
I. Net asset/(liability) recognised in the balance sheet as at 31 March 2022		
1. Present value of defined benefit obligation	2,170.41	563.86
2. Fair value of plan assets	2,065.95	496.17
3. Deficit	104.46	67.69
4. Current portion of the above	104.46	67.69
II. Change in the obligation during the year ended 31 March 2022		
1. Present value of defined benefit obligation at the beginning of the year	563.86	557.45
2. Expenses recognised in the statements of profit and loss		
- Current service cost	164.35	141.31
- Interest expense	39.00	34.32
3. Recognised in other comprehensive income		
- Actuarial (gain)/loss arising from experience adjustments	(53.53)	(20.97)
- Actuarial (gain)/loss arising from financial assumption	(15.28)	(21.04)
4. Benefit payments	(62.04)	(127.21)
5. Liability assumed on Business acquisition (refer note 59)	1,534.05	-
6. Present value of defined benefit obligation at the end of the year	2,170.41	563.86

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Note 42 - Employee benefits (contd.)

Particulars	(₹ in lakh)	
	Gratuity (Funded plan)	
	31 March 2022	31 March 2021
III. Change in fair value of assets		
1. Fair value of plan assets at the beginning of the year	496.17	430.05
2. Recognised in the statement profit and loss		
- Expected return on plan assets	36.32	29.89
3. Recognised in other comprehensive income		
- Actual return on plan assets in excess of the expected return	(8.83)	163.44
4. Contributions by employer (including benefit payments recoverable)	124.69	-
5. Benefit payments	(62.04)	(127.21)
6. Assets transferred under Business acquisition (refer note 59)	1,479.64	-
7. Fair value of plan assets at the end of the year	2,065.95	496.17

IV. The major categories of plan assets

The Company made annual contribution to the Birla Sun Life Insurance Company Limited ('BSL') of an amount advised by the BSL. The Company was informed by BSL that the planned assets are held in growth/fixed interest bonds.

V. Actuarial assumptions

	31 March 2022	31 March 2021
1. Discount rate	7.32%	6.95%
2. Expected rate of increase in compensation level	6.50%	6.50%
3. Expected rate of return on plan assets	7.32%	6.95%
4. Attrition rate	1.00%	1.00%
5. Mortality table	IALM 2012-14	IALM 2012-14
6. Superannuation age	58	58

VI. Sensitivity analysis

Particulars	(₹ in lakh)			
	31 March 2022		31 March 2021	
	Change in assumption	Effect on gratuity obligation	Change in assumption	Effect on gratuity obligation
Discount rate	0.50%	(35.95)	0.50%	(32.65)
	-0.50%	39.24	-0.50%	35.71
Expected rate of increase in compensation level	0.50%	37.68	0.50%	34.01
	-0.50%	(34.78)	-0.50%	(31.51)

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.

VII. Experience adjustments :

Particulars	(₹ in lakh)	
	FY 2021-22	FY 2020-21
1. Defined benefit obligation	2,170.41	563.86
2. Fair value of plan assets	2,065.95	496.17
3. Surplus/(deficit) unfunded asset	(104.46)	(67.69)
4. Experience adjustment on plan liabilities gain/(loss)	53.53	20.97

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 42 - Employee benefits (contd.)

C. Other long-term benefits - Compensated absences (unfunded)

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Amounts recognised in the balance sheet		
Non current (Refer note 21)	576.00	328.35
Current (Refer note 29)	276.34	45.21
	852.34	373.56
Amounts recognised in the statement of profit and loss		
Current service cost	144.38	117.46
Interest cost	25.40	23.03
Actuarial gain	191.03	49.31
Total included in employee benefits expense	360.81	189.80
Reconciliation of opening and closing balances of benefit obligations		
Change in benefit obligation		
Defined benefit obligation at the beginning of the year	373.56	338.66
Interest cost	25.40	23.03
Current service cost	144.38	117.46
Benefits paid	(139.23)	(154.90)
Actuarial gain	191.03	49.31
Liability assumed on Business acquisition (refer note 59)	257.20	-
Defined benefit obligation at the end of the year	852.34	373.56

The average duration of remaining working life at the end of the reporting period is 16.20 years (Previous year 16.52 years)

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 43 - Segment Information

The Company operates in a single segment i.e. Building Products.

Note 44 - Earnings per share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit / (loss) for the year attributable to owners of the Company (₹ in lakh)	11,652.31	7,192.32
Weighted average number of equity shares (nos.)	2,45,00,000	2,45,00,000
Nominal value per share (₹)	2.00	2.00
Earnings per share - basic and diluted (₹)	47.56	29.36

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

Note - 45 Contingent liabilities not provided for in respect of:

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
a) Demands made by the sales tax authorities against which appeals have been filed	616.99	461.30
b) Claims against the Company not acknowledged as debts	231.98	143.11

Note - 46 Capital and other commitments

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
a) Commitments relating to contracts remaining to be executed on capital account and other commitments not provided for	6,167.89	262.46

Note - 47 Payment to statutory auditors (excluding goods and service tax)

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
As auditors	8.56	8.00
For taxation matters	2.14	2.00
Other services	3.62	2.40
For reimbursement of expenses	0.83	0.23
	15.15	12.63

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 48 - Related party transactions

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures" name of the related party, related party relationship, transactions and outstanding balances including commitments where control exist and with whom transactions have taken place during the reported period are as follows:

List of related parties

Relationship

Key management personnel (KMP)

Name of related party (as identified by the management)

Executive directors

Mr. Sandip Somany (Chairman & Managing Director)

Executives / Key Managerial Personnel

Mr. Sandeep Sikka (CFO)

Ms Payal M Puri (CS)

Non-executive directors

Mr. G.L. Sultania

Mr. Ashok Jaipuria

Mr. Salil Bhandari

Dr. Rainer Siegfried Simon

Ms. Alpana Parida

Relative of Key management personnel

Ms. Sumita Somany (Wife of Mr. Sandip Somany)

Holding company

Somany Home Innovation Limited

Subsidiaries

Halis International Limited, Mauritius

Queco Bathroom Innovations Limited, UK (subsidiary of Halis International Limited)

Fellow Subsidiaries

Hindware Home Retail Private Limited

Luxxis Heating Solutions Private Limited

Hintastica Private Limited (ceased to be subsidiary of Somany Home Innovation Limited w.e.f 19 May, 2021)

Entities where significant influence is exercised by KMP/KMP of holding company/ and/or their relatives

Textool Mercantile Private Limited

Khaitan & Co. LLP

Hintastica Private Limited (Joint venture of holding company w.e.f. 20 May, 2021)

Others

AGI Greenpac Limited (Formerly known as HSIL Limited) (Subsidiary of Somany Impresa Limited)

Corporate Social Responsibility

HSIL Corporate Social Responsibility Foundation

Post employment benefit plan

Brilloca Employee Gratuity Fund

The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis.

(₹ in lakh)

Particulars	Holding/Subsidiary/Fellow Subsidiaries		Entities where significant influence is exercised by KMP/KMP of holding company/ and/or their relatives and other related parties	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Transactions during the year				
Investment made in				
Equity component in redeemable preference shares of Halis International Limited	-	52.10	-	-
Management fees received from				
Somany Home Innovation Limited	317.56	321.90	-	-
Hintastica Private Limited	-	-	99.56	-
AGI Greenpac Limited	-	-	1,713.76	1,193.26
Management fees paid to				
AGI Greenpac Limited	-	-	1.48	249.07
Rent paid to				
Somany Home Innovation Limited	33.60	33.60	-	-
Textool Mercantile Private Limited	-	-	-	2.80
AGI Greenpac Limited	-	-	745.31	745.31
Loan given to				
Somany Home Innovation Limited	700.00	1,000.00	-	-
Interest received from				
Somany Home Innovation Limited	145.75	77.42	-	-

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 48 - Related party transactions (contd.)

Particulars	Holding/Subsidiary/Fellow Subsidiaries		Entities where significant influence is exercised by KMP and/or their relatives and other related parties	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
(₹ in lakh)				
Transactions during the year				
Sale of fixed assets to				
Somany Home Innovation Limited	-	21.45	-	-
AGI Greenpac Limited	-	-	1.17	32.96
Purchase of fixed assets from				
Somany Home Innovation Limited	-	2.13	-	-
AGI Greenpac Limited	-	-	7.97	-
Purchase of investments from				
AGI Greenpac Limited	-	-	1.00	-
Purchase of BPD business under slump sale				
AGI Greenpac Limited	-	-	69,995.55	-
Purchase (net) of goods from				
Somany Home Innovation Limited	2.21	5.50	-	-
Hindware Home Retail Private Limited	-	5.36	-	-
AGI Greenpac Limited	-	-	93,038.71	59,504.30
Sale of goods and services to				
AGI Greenpac Limited	-	-	314.09	17.48
Rent received from				
Hintastica Private Limited	-	0.82	-	-
Reimbursement of expense received from				
AGI Greenpac Limited	-	-	10.40	3.58
Reimbursement of expenses paid to				
AGI Greenpac Limited	-	-	219.26	10.86
Reimbursement of VAT/CST liability paid to				
AGI Greenpac Limited	-	-	96.21	-
Security Deposit given				
AGI Greenpac Limited	-	-	-	62.11
Contribution made				
Brilloca Employee Gratuity Fund	-	-	124.69	-
Corporate Social Responsibility				
HSIL Corporate Social Responsibility Foundation	-	-	31.51	-
Consultancy fees paid to				
Khaitan & Co. LLP	-	-	0.34	0.58
Balances outstanding as at the end of the year - Receivable				
Somany Home Innovation Limited				
Loan receivable*	1,700.00	1,000.00	-	-
Others	114.70	984.96	-	-
Hintastica Private Limited	-	1.46	92.71	-
AGI Greenpac Limited	-	-	-	1,731.65
Balances outstanding as at the end of the year - Payable				
Textool Mercantile Private Limited	-	-	-	-
AGI Greenpac Limited				
- Slump sale	-	-	59,095.55	-
- Others	-	-	4,121.50	-
Khaitan & Co. LLP	-	-	0.08	0.09

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 48 - Related party transactions (Contd.)

Particulars	(₹ in lakh)	
	Key management personnel and their relatives	
Transactions during the year	31 March 2022	31 March 2021
Remuneration of key management personnel and their relatives		
Mr. Sandip Somany	1,456.84	496.71
Mr. Sandeep Sikka	335.12	260.83
Ms. Sumita Somany	94.91	58.37
Commission and other payments to non executive directors	149.84	103.68
Remuneration payable as at the end of the year		
Mr. Sandip Somany	601.83	153.87
Mr. Sandeep Sikka	1.51	9.70
Ms Sumita Somany	1.09	2.59
Commission and other payments to non executive directors	144.54	99.38

The remuneration and other transactions with members of key managerial personnel and their relatives during the year are as follows:

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
Short-term employee benefits #	1,928.31	874.05
Post-employment benefits		
- Defined contribution plan S	108.40	45.54
- Defined benefit plan *	-	-
- Other long-term benefits *	-	-
Rent paid	-	-
Total	2,036.71	919.59

Including bonus, sitting fee, commission on accrual basis and value of perquisites.

S including provident fund, leave encashment paid and any other benefit.

* 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.

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Hindware Limited (Formerly Brilloca Limited)**Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022****Note 49 Leases**

The company recorded the lease liability at the present value of the future lease payments discounted at the incremental borrowing rate and the right of use asset. Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Break-up of current and non-current lease liabilities as at:

(₹ in lakh)

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Current lease liabilities	1,552.19	446.64
Non current lease liabilities	15,022.13	2,363.81
Total	16,574.32	2,810.45

Movement in lease liabilities during the year ended:

(₹ in lakh)

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Balance at the beginning	2,810.45	2,850.19
Addition	14,961.75	736.43
Finance cost accrued during the period	309.07	275.57
Deletions /adjustment	587.56	309.57
Payment of lease liabilities	876.76	651.87
Lease concession	42.63	90.30
Balance at the end	16,574.32	2,810.45

Details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in lakh)

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Less than one year	2,593.15	666.02
One to five years	9,452.88	2,130.62
More than five years	10,006.42	822.26
Total	22,052.45	3,618.90

Rental expense recorded for short-term leases was ₹ 935.98 lakh (Previous period ₹ 961.47 lakh) for the year ended March 31,2022

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note: 50 Corporate social responsibility

In accordance with the provisions of section 135 of the Act, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms, with the provisions of the said Act, the Company was to spend a sum of ₹ 111.10 lakh (previous year ₹ 42.00 lakh) towards CSR activities during the year ended 31 March 2022. The CSR Committee has been examining and evaluating suitable proposals for deployment of funds towards CSR initiatives, however, the committee expects finalization of such proposals in due course. During the year ended 31 March 2022, the Company has contributed the following sums towards CSR initiatives. (Refer note 38)

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
(i) Amount required to be spent on CSR activities during the year (a)	111.10	42.00
(ii) Amount on expenditure incurred on:		
(a) On construction/acquisition of any asset	80.00	36.80
(b) On purposes other than (i) above	31.51	5.20
(iii) Shortfall at the end of the year	-	-
(iv) Nature of CSR activities amount spent on:		
-COVID-19 -oxygen plant and preventive & relief measures		
-Construction /Renovation of Toilets at various location		
-Providing sanitaryware, faucets and other allied products		

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 51 - Financial instrument by category

(₹ in lakh)

Particulars	31 March 2022			31 March 2021		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Non current financial assets						
Investments	-	-	39.85	-	-	50.50
Loans	-	-	1,700.00	-	-	1,000.00
Other financial assets	-	-	663.38	-	-	291.37
Current financial assets						
Investments	-	2,709.06	-	-	2,564.02	-
Trade receivable	-	-	16,516.65	-	-	24,706.52
Cash and cash equivalents	-	-	2,341.59	-	-	491.08
Other financial assets	-	-	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	-	-	-	-
Other financial assets	-	-	1,342.40	-	-	877.51
Total financial assets	-	2,709.06	22,603.87	-	2,564.02	27,416.98
Non Current financial liabilities						
Non-current borrowings	-	-	-	-	-	2,978.64
Lease liabilities	-	-	15,022.13	-	-	2,363.81
Other financial liabilities	-	-	3,660.26	-	-	2,983.89
Current financial liabilities						
Current borrowings	-	-	32.58	-	-	4,952.67
Lease liabilities	-	-	1,552.19	-	-	446.64
Trade payables	-	-	17,017.18	-	-	4,118.34
Other financial liabilities	-	-	78,743.62	-	-	14,167.41
Total financial liabilities	-	-	1,16,027.96	-	-	32,011.40

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 52 - Disclosure under section 186(4) of the Companies Act, 2013

Particulars	(₹ in lakh)	
	Halis International Limited, Mauritius (Wholly owned subsidiary)	Halis International Limited, Mauritius (Wholly owned subsidiary)
	As at 31 March 2022	As at 31 March 2021
<u>Guarantee</u>		
Guarantees given as at the beginning of the financial year	-	-
Guarantees given during the financial year	-	-
Guarantee closed during the year	-	-
Guarantees given as at the end of the financial year	-	-
<u>Investments</u>		
Investments at the beginning of the financial year	50.50	75.22
Additions during the financial year	-	52.10
Provision for diminution in the value of during the year	11.66	76.82
Investment at the end of the financial year	39.85	50.50
<u>Loans and advances</u>		
Loans at the beginning of the financial year	-	-
Additions during the financial year	-	-
Return back during the year	-	-
Loans at the end of the financial year	-	-

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 53 - Transactions with Struck-off companies

(₹ in lakhs)

S. No.	Name of Struck-off company (as per MCA)	Nature of transaction with struck-off company	Balance as on 31st March'2022	Balance as on 31st March'2021	Relationship with the struck-off company
1	Anupriya Associates Private Limited	Sale of goods	-	(0.02)	Customer
2	EL BORNE (India) Trading Company Private Limited	Sale of goods	-	0.42	Customer
3	GCL Enterprises Private Limited	Sale of goods	(0.05)	3.78	Customer
4	Concept Ceramics Private Limited	Sale of goods	(0.00)	-	Customer
5	S S Realityworld Private Limited	Sale of goods	-	0.40	Customer
6	S V Electronics Limited	Purchase of goods	(0.00)	-	Vendor
7	Orcalo Software Solutions Private Limited	Purchase of goods	-	(0.81)	Vendor
8	Khandelwal Polymers Pvt Ltd	Purchase of goods	(0.02)	-	Vendor

Note 54 - Impact of Covid-19

The Company is closely monitoring the impact of the COVID-19 pandemic and believes that there will not be any adverse impact on the long-term operations and performance of the Company.

Note 55 :- Details of title deeds of Immovable properties not held in the name of the Company*

Particulars	Description of item of Property	Gross carrying value (in ₹ lakh)	Title deeds held in the name of	Whether title holder is director / promoter / relative of the same	Property held since which date	Reason for not being held in the name of the Company
1	Leasehold Land & Buildings at Kaharani	8,507.80	AGI Greenpac Limited	No	Close of business hours of 31 March 2022	Slump sale transaction executed after close of business hours of 31 March 2022
2	Land & Buildings at Bibinagar	7,972.11	AGI Greenpac Limited	No		

* (refer note 59)+B4

Note 56 - Social security code

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Indian Parliament's approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently, on November 13, 2020, draft rules were published and stakeholders' suggestions were invited. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 57 :- Dividend declaration

The Board of Directors have recommended a dividend of 600% i.e. ₹ 12/- on equity share of ₹2/- each for the year ended 31st March 2022 subject to approval of shareholders in the ensuing Annual General Meeting. (The total estimated equity dividend to be paid is ₹ 2,940.00 lakh)

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Note 58 :- Ratios disclosure

Particulars		As at 31 March 2022	As at 31 March 2021	Variance	Remarks
(i)	Current Ratio (times)	0.80	1.74	-54.20%	Due to business combination transaction
	Total Current assets / Total current liabilities				
(ii)	Total Debts to Equity Ratio (times)	0.10	0.42	-75.06%	Due to prepayment of rupee term loan during the year
	(Non-current borrowings + Current Borrowings + Trade Deposits) / Net worth*)				
	* Net worth = Equity Share Capital + Securities premium account + General reserve + Retained earnings + Actuarial gain / (loss)				
(iii)	Debt Service Coverage Ratio (times)	10.03	5.60	79.04%	Due to prepayment of rupee term loan during the year
	(Profit after Tax + Depreciation + Interest on loan + loss / (gain) on sale of Property Plant and Equipment / Interest on loan + principal scheduled repayment of loan + lease repayment)				
(iv)	Return on Equity (%)	38.14%	32.32%	18.01%	
	(Profit for the year / Average Net worth*)				
	* Net worth = Equity Share Capital + Securities premium account + General reserve + Retained earnings + Actuarial gain / (loss)				
(v)	Inventory Turnover (times)	3.64	5.25	-30.61%	Due to business combination transaction
	(Cost of Goods Sold / Average Inventories)				
(vi)	Trade Receivables Turnover (times)	8.71	5.16	68.93%	Due to business combination transaction
	(Revenue from Operations / Average Trade receivables)				
(vii)	Trade Payables Turnover (times)	12.29	19.13	-35.76%	Due to business combination transaction
	(Total Purchases / Average Trade payables)				
(viii)	Net Capital Turnover (times)	449.31	6.83	6480.04%	Due to business combination transaction
	(Revenue from Operations / Average Working Capital)				
	(Working Capital = Current assets - Current liabilities)				
(ix)	Net Profit Ratio (%)	6.49%	5.70%	13.87%	
	(Profit for the year / Revenue from Operations)				
(x)	Return on Capital Employed (%)	41.51%	29.39%	41.23%	Due to business combination transaction
	(Earnings before interest and tax / Capital employed*)				
	* Capital employed = Tangible Net worth + Borrowings + Deferred tax liability + Trade deposits - Intangible assets				
(xi)	Return on Mutual funds (%)	3.18%	3.20%	-0.74%	
	(Income during the year / Time weighted average of investments)				

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Hindware Limited (Formerly Brilloca Limited)

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2022

Note 59 :- Business Combination (Acquisition of BPD manufacturing operations of AGI Greenpac limited)

a) The Board of Directors of the Company, in its meeting held on 15th January, 2022, had approved the acquisition of one of the business undertaking of the AGI Greenpac Limited ("AGIGL") (formerly known as IISIL Limited) that was engaged in the business of manufacturing, on contract basis, of sanitaryware, faucets and plastic pipes (PVC and CPVC) and fittings, through its operating manufacturing plants, along with all the related assets and liabilities including but not limited to the embedded goodwill, movable and immovable assets (except certain land and buildings), employees, contracts (including lease deeds), intellectual property and other intangible assets, licenses, permits, consents, approvals, inventory and insurance policies, for a lump sum consideration of ₹ 63,000 lakh which amount was mutually negotiated between the Company and AGI Greenpac (based on the recommendations in the valuation report issued by an independent valuer), subject to customary closing date adjustments and on such other terms as set out in the business transfer agreement executed between the Company and AGI Greenpac.

b) The date of consummation of transaction is 31st March 2022, after close of business hours, at the agreed value of ₹ 69,995.55 lakhs^

c) Details of acquisition of business on slump sale basis are:

Particulars	Amount	(₹ in lakhs)
Non Current assets (A)		46,032.69
Current assets (B)		34,986.49
Less : Current liabilities (C)		11,214.63
Net Assets taken over (D=A+B-C)		69,804.55
Purchase consideration post closing date adjustments (E)		69,995.55
Goodwill generated / acquired under transaction (F = E - D)		191.00

^ read with note 27

Note 60 - Change of Name

Pursuant to the issuance of the fresh certificate of incorporation dated 13th April 2022 by Registrar of Companies Kolkata, the name of Company stands changed from Brilloca Limited to Hindware Limited

Note 61 - Other Disclosures

(a) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period

(b) The Company have not traded or invested in crypto currency or virtual currency during the financial year

(c) There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are: (a) repayable on demand; or (b) without specifying any terms or period of repayment

(d) The Company has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017

(e) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 to 1988) and Rules made thereunder

(f) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender or government or any government authority

(g) Utilisation of borrowed funds and share premium

I. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

II. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(h) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

(i) Previous period figures have been regrouped /re-arranged wherever considered necessary to confirm to the current year's classification.

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As per our report of even date attached

For and on behalf of the Board of Directors

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



Shyamal Kumar
Partner
M. No. 509325
Place : New Delhi
Date : 17 May 2022




G.L. Salaria
Director
DIN: 00060931



Sandip Somany
Vice Chairman and Managing Director
DIN: 00053597



Payal M. Puri
Company Secretary
ACS No.: 16068



Sandeep Sikka
Chief Financial Officer

Place : Gurugram
Date : 17 May 2022



Hindware Limited (Formerly Brillboa Limited)

Form AOC-1

(pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rule, 2014)

Statement containing salient features of the financial statement of subsidiary/associate companies/joint ventures

Part 'A': Subsidiaries

Sr. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments (Other than subsidiary)	Turnover (including other operating income)	Profit before taxation	Provision for taxation	Profit after taxation	Other comprehensive income	Total comprehensive income for the year	Proposed dividend	% of shareholding (including stepdown subsidiary holding)
1	Halis International Ltd (Subsidiary of Hindware Ltd.)	NA	USD 1 = INR 75.8071	2,010.62	(1,591.95)	19.81	19.81	-	-	(6.59)	-	(6.59)	(0.50)	(7.08)	-	100%
2	Queo Bathroom Innovations Ltd. (Subsidiary of Halis International Ltd.)		GBP 1 = INR 99.5524	5.36	14.85	26.02	26.02	-	-	(6.82)	-	(6.82)	0.02	(6.80)	-	100%

Note 1 Name of subsidiaries which are yet to co : Nil

Note 2 Name of subsidiaries which have been liquidated or sold during t 1. Alchemy International Cooperative(U.A 2. Haas International B.V.

Part 'B': Associates and Joint Ventures		Statement pursuant to section 129 (3) of the Companies Act, 2013 related to associate companies/joint ventures			(₹ in Lacs)		
Sr. No.	Name of Associates/Joint Ventures	1. Latest audited Balance Sheet Date	2. Share of Associate/Joint Venture held by the company on the year end	3. Description of how (there is significant influence	4. Reason why the associate/joint venture is not consolidated	5. Net worth attributable to Shareholding as per latest audited Balance Sheet	6. Profit/Loss for the year
			No.	Amount of investment in Associates/Joint Venture	Extend of holding %		i. Considered in Consolidation ii. Not considered in Consolidation
Note 1	Name of associates or joint ventures which are yet to commence operations : Nil						
Note 2	Name of associates or joint ventures which have been liquidated or sold during the year : Nil						





G.L. Sultania
Director
DIN: 00066931



Payal M. Puri
Company Secretary
ACS No: 16668



Sandip Somany
Chairman and Managing Director
DIN: 01453597



Sandeep Sikka
Chief Financial Officer

