

NEAPS/BSE ONLINE

3rd September, 2021

**The Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
1st Floor, New Trading Ring
Rotunda, Dalal Street,
Mumbai – 400001**

**Listing Department
National Stock Exchange of India Limited
Plot No. C/1, Block-G
Exchange Plaza, 5th Floor,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400051**

Dear Sir/Madam,

**Sub: Annual Report for the Financial Year 2020-21 of the Company along with the
Notice of 4th Annual General Meeting**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the Company for the Financial Year 2020-21 along with the Notice of 4th Annual General Meeting, being sent to the shareholders of the Company, in accordance with the Circular No. 20/2020 dated 5th May, 2020 read with Circular No. 02/2021 dated 13th January, 2021 issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 read with Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 issued by the Securities and Exchange Board of India.

The Annual Report of the Company for the Financial Year 2020-21 along with the Notice of 4th Annual General Meeting is also available on the website of the Company i.e. www.shilgroup.com

You are requested to take the above information on record.

For SOMANY HOME INNOVATION LIMITED



(Payal M Puri)
Company Secretary and V.P. Group General Counsel

**Name: Payal M Puri
Address: 301-302, 3rd Floor, Park Centra, Sector-30, Gurugram-122001
Membership No.: 16068**

Enclosed as above

Somany Home Innovation Limited

Corporate Office: 68, Echelon Inst. Area, Sector-32, Gurugram, Haryana 122 001, India. T. +91 124 2889300

Registered Office: 2, Red Cross Place, Kolkata-700001, West Bengal, India. T. +91 33-22487407/5668

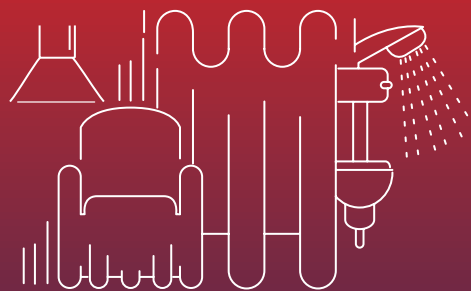
wecare@hindware.co.in | www.shilgroup.com | CIN: L74999WB2017PLC222970

Driving customer

aspirations



**ENRICHING
EXPERIENCES**



**INNOVATIVE
OFFERINGS**



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Key highlights (Consolidated) FY 2020-21

Stable performance despite a challenging year to generate value for our shareholders

₹ **1,775** CRORE

Revenue from operations ▲ 10%

₹ **161** CRORE

EBITDA ▲ 43%

₹ **92** CRORE

Profit Before Tax ▲ 179%

₹ **55** CRORE

Profit After Tax ▲ 137%

Note: Figures have been rounded off

Aspirations are about looking beyond today and striving for tomorrow. It is about challenging the conventional, breaking away from the crowd, and going the distance.

At Somany Home Innovation Limited, we not only deliver on customer expectations, but we also create them. As a key player in consumer appliances and building products, we use our keen awareness of global trends, deep industry knowledge, and insight into customers' evolving needs to make intuitive leaps in designing futuristic products and services that elevate and simplify lives.

Aware that the future lies with the Internet of Things (IoT), we are harnessing this advanced technology for everyday use. In doing so, we are creating new aspirations for products that are functionally superior and at the same time stylish and sustainable. We are also using technology to constantly improve our services through smart applications that can remotely control and monitor connected home appliances. At the same time, we are using new distribution channels that are widening access to our products and services.

Our aesthetically designed sanitaryware and faucet products help in reimagining the way bathrooms are designed and help create a distinct identity. We offer a range of plastic pipes and fittings along with patented column pipes and overhead tanks through Brilloca Limited (Brilloca).

We are a customer-centric organisation. We focus on anticipating our customers' needs to design our products of unmatched quality. Our wide network of service centres run by skilled professionals helps us provide peace of mind to our customers.

We are differentiated by our strong R&D team which helps us sharpen our capabilities, stay ahead of our competitors and improve our market share. This is backed by intelligent marketing and branding campaigns across platforms.

We are equally committed to our shareholders, customers, employees, suppliers, the environment, society, and other stakeholders.

About the Company

Fortifying our leadership across segments

Somany Home Innovation Limited (SHIL) with strong innovation, customer insights, and leadership capabilities is the fastest-growing player in Consumer Appliances and a leader in Building Products with three distinct distribution channels to market.

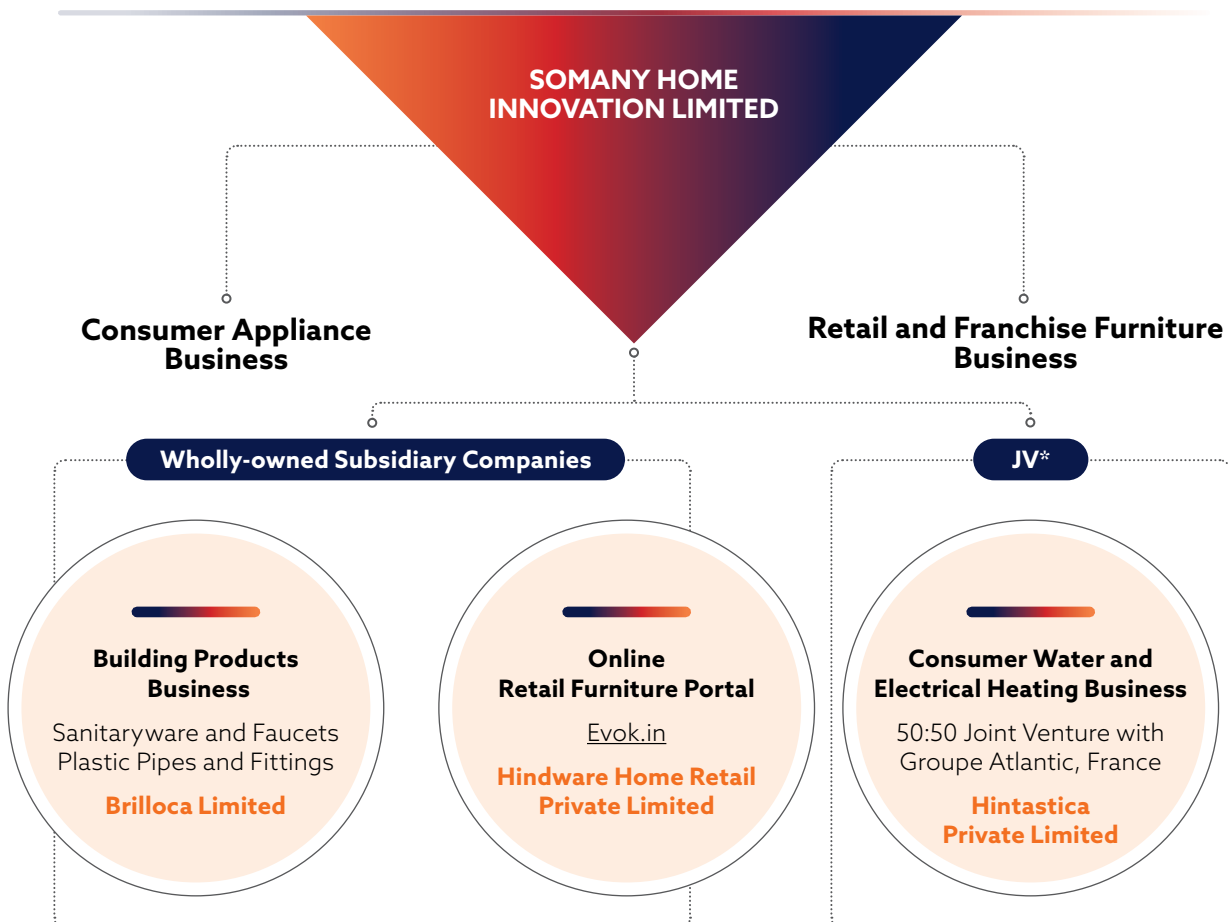
SHIL houses the Consumer Appliance business and offers a range of innovative products across kitchen appliances, sinks, air coolers, water purifiers, and ceiling and pedestal fans categories. SHIL has a presence in the kitchen and furniture fittings segment in collaboration with the Italian company, Formenti & Giovenzana under the brand 'FGV Powered by Hindware'. It offers

furniture and interior products under the brand 'EVOK by hindware'.

It offers a versatile range of best-in-class sanitaryware, faucets, plastic pipes and fittings, overhead water storage tanks, column pipes, and premium tiles housed under Brilloca Limited, a wholly-owned subsidiary of SHIL.

SHIL has entered into a joint venture with Groupe Atlantic of France (<https://www.groupe-atlantic.fr/en/>) to further leverage the opportunities in fast-growing Consumer Water and Electrical Heating segment in India under Hintastica Private Limited (HPL).

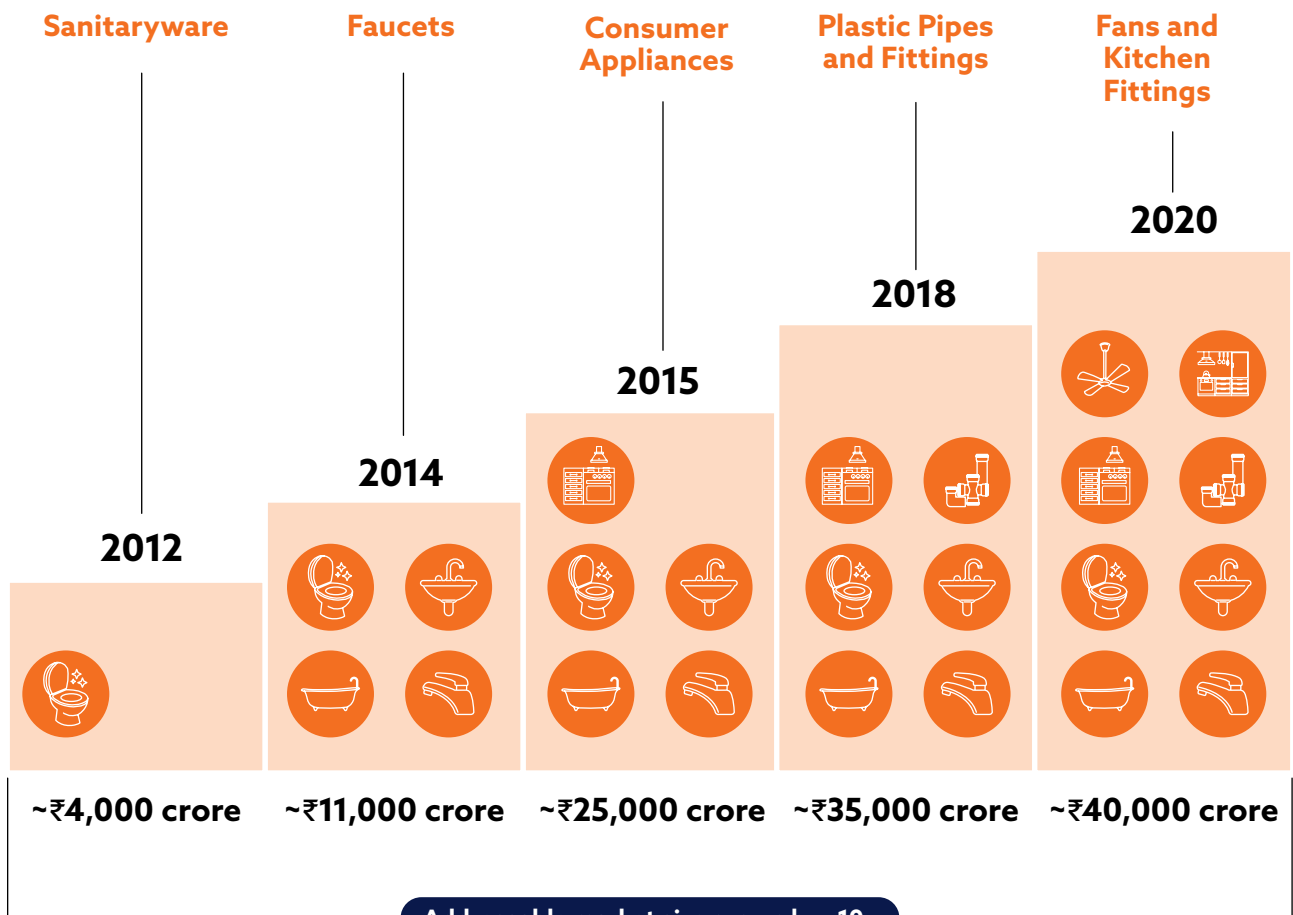
Our business structure



*Note: Wholly-owned subsidiary of SHIL as on 31st March 2021

Expanding horizons to unlock value

From being present only in the sanitaryware business segment over a decade ago, we, over the years, have expanded into numerous customer-facing businesses. This has helped us to grow our addressable market size by ~10x. In each of our businesses, we have built capabilities that have helped us position ourselves among the top 5 players within the first five years of entry in that segment. This has derisked the business from dependence on a single product segment.



About the Company

Creating unmatched customer experiences

At SHIL, our unwavering focus on creating distinctive consumer experiences has helped us emerge as a preferred consumer-focused company in consumer appliances and building products.

We are attractively positioned to drive customer aspirations across each of the businesses we are present in.

At SHIL, we are aware of the evolving consumer behaviour and we offer a well-differentiated and diverse suite of products to cater to emerging customer needs. We serve clients among the affluent not only in big cities but also the aspirational classes in the smaller towns of India along with the demand for premium products among the middle class and upper-middle class sections of society. Our innovation muscle, sustained investment in technology, and partnerships with leading global companies and niche players allow us to offer an array of intelligent products and services. Our uniquely designed products help introduce both style and comfort in life. Our strong distribution network across multiple channels, allows us to localise our services and cater to the distinct needs of varied customer segments. Our commitment to continuous improvement is the key to our success.

OUR BUSINESS SEGMENTS

Consumer Appliance business

Ever since we began our consumer appliance business journey, we have prioritised innovation as the key differentiator. We have invested in



a research and innovation centre, which is helping us anticipate consumer requirements and accordingly design and market relevant products that bring both style and convenience to lives. Our 28 patents* in the past five years are a testimony to our strong innovation capabilities. We have one of the country's widest ranges of IoT-enabled consumer appliances designed to ease the daily lives of consumers.

Our portfolio across categories include kitchen appliances like sinks, cooker hoods, built-in hobs, chimney, cook-tops, built-in ovens, dishwashers, food sanitisers, consumer appliances like water heaters, water purifiers, air coolers, ceiling fans, table fans, wall fans, pedestal fans and kitchen and furniture fittings. In these times when the world is figuring how to live in the new normal, our range of newly launched products such as Activio Food Sanitizer and Hindware Purge Surface Disinfectant truly help consumers prioritise their well-being.

We have widened the product portfolio by entering a niche segment of furniture and kitchen fittings under brand FGV Powered by Hindware™, comprising normal MS slide-on, integrated soft close, corner pie and wide angle hinges, comfy ball bearing and excel bottom mounted drawer channels and ten, uniplus and unilux drawer system and aerolift liftups, sourced through

our strategic tie-up with FGV – Formenti & Giovenzana.

We are reaching our customers through our omni-channel network comprising 10,000+ retail outlets, 1,000+ distributor partners, 700+ modern and large retail outlets and ~120 exclusive kitchen galleries as well as the major online marketplaces.

Under Hintastica Private Limited, we are in the process of setting up a manufacturing plant in Telangana to manufacture water and electrical heating products.

Retail business

Our home interior products business under the brand 'EVOK by hindware' consists of a range of products such as furniture, modular kitchen, decor, and furnishing categories. The core vision of EVOK is to be the first-choice partner of customers aspiring for value-for-style home interior solutions. We have created a strong e-commerce presence through our online portal www.evok.in and other e-commerce sites such as Amazon, Flipkart, Pepperfry, and others.

We have made a shift in our strategy where we have closed the company-owned physical stores and moved to a franchise-based and online-driven business model to ensure profitability for the business.

We are the first brand in the furniture domain to launch a

* Applied for

hyperlocal platform, helping us create a strong online presence and service more than 14,000 pin codes with a range of 2,500+ products. We are strengthening our physical presence through a strong network of two company-owned and 20 franchise-owned stores.

Building Products Business

Sanitaryware and Faucets

Our sanitaryware and faucet products are available across various price points catering to a wide spectrum of customers. Our brand Queo caters to the luxury segment, Hindware Italian Collection, Hindware to the premium segment and Benelave caters to the mass segment. Classy, stylish, and excelling across all functional parameters, they address varied needs, including that of the aspirational customer.

The distribution muscle includes 228 Brand Stores for an immersive customer experience. The 137 distributors provide us with wide network supported by 5,400+ direct retail touchpoints. Our indirect reach covers around 20,000 touchpoints across the country. Further, we have created a dedicated team catering to 1,100+ institutional customers. We have a pan-India service network of 400+ technicians covering more than 640 districts, with a turnaround time of 24 hours in metro markets and 48 hours in upcountry markets.



Plastic Pipes and Fittings

Our plastic pipes and fittings products under the brand TRUFLO by Hindware™ offers more than 1,100 SKUs covering best-in-class CPVC (chlorinated polyvinyl chloride) pipes along with lead-free UPVC (Unplasticised Polyvinyl Chloride) pipes, SWR pipes, and PVC pipes for potable water. The brand uses NSF certified CPVC compound Durastream, supplied by our strategic partner, ~\$ 10 billion Japanese conglomerate Sekisui Chemical Co. Ltd. to offer quality CPVC piping solutions suited for varied market requirements. We have recently forayed into the overhead water storage tank and column pipes segment with a robust range of products.

Our dedicated distribution channel for the segment comprises more than 20,000 retailers supported by a strong country-wide network of 200+ dealers.

Premium Tiles

Under the brand Neom, Brilloca has entered the super-premium and premium tiles market. Neom stands for the neo-modern design movement of new-age India. The extraordinary range of tiles under the brand integrates technological expertise with beautiful designs. The tiles can be used for both commercial and residential tiling, flooring and bathrooms.

LEADERSHIP POSITIONS

Consumer Appliances

#2

Chimney category

#5

Air cooler and water heater category

28

Patents*

Building Products

#1

Player in the sanitaryware segment

#2

Player in the faucets segment

Fastest growing

Plastic pipes and fittings brand in India

*In the last five years for Consumer Appliance Business

Chairman's Message

Progressing with agility

Dear Shareholders,

The financial year 2020-21 was by no means an easy year. There were unprecedented disruptions the world over on account of the COVID-19 pandemic. The transnational movement restrictions created supply chain disruptions, impacting global trade adversely. While economies and societies were regaining a semblance of normalcy, the second wave of infections struck India, leading to localised restrictions and a slowdown in the recovery process in the last quarter of FY 2020-21. For us, at SHIL, our topmost priority during the year was to ensure the safety and well-being of our stakeholders and we took several targeted measures towards that objective while ensuring business continuity.



Like all disruptive forces that have shaped human history, the pandemic has brought with it a unique set of challenges as well as opportunities. While restrictions on movement and safety norms such as physical distancing disrupted the brick-and-mortar model of business, they occasioned a leap towards the adoption of new technologies. As people confined themselves within their home to keep themselves safe, digital platforms became their window to the outside world. And as 'work from home' gathered traction, smart and effective home appliances gained preference for the ease and comfort they ensured. Longer hours spent at home necessitated home renovation as well improvements to aid the requirements of working from home. There has also been an increased need of renovating homes, including the bathroom

and kitchen. The unique human predilection also drove demand for products that guaranteed health and safety. Our constant focus on innovation has helped us to introduce products across categories we are present in to cater to these demands.

AGILE RESPONSE

Over the years, we have leveraged the brand equity and loyalty Hindware holds in the market to diversify into newer segments and product categories and we have achieved great success. During the year, we undertook judicious capital allocation towards innovative and high-growth segments to help us maximise returns. As we continuously scale up each of our business segments, we are creating distinctive business verticals led by professional CEOs for focused value creation over the long term.



The Building Products division maintained its growth momentum owing to the diverse portfolio and improving demand from the resurgent real estate sector. We continue to lead the space with innovative launches including the industry-first tankless wall-mounted EWC, apart from a range of contactless sensor faucets



Chairman's Message

At SHIL, continuous innovation has always helped us to stay ahead of our competition and has ensured we introduce a constant stream of premium products that are relevant, future-ready and loaded with innovative features that make the lives of consumers easy. Our R&D team closely monitors growing consumer trends, resulting in the launch of products that are smart and relevant in the foreseeable future. During the year, we launched a host of products across segments, reinforcing our commitment to meeting customer aspirations. Our focus on innovation helped apply for 28 patents in the last five years for our Consumer Appliance business.

The pandemic accelerated the adoption of digital in the business process to enhance efficiency. At SHIL, we are investing proactively in digital tools to transform the existing processes and systems to make the organisation even more agile.

The pandemic-led lockdown resulted in consumers increasingly opting for e-commerce as their preferred platform for purchases. This led us to significantly invest in strengthening our online presence. Having said that, we are also investing in our physical distribution channel and our distributor engagement programmes to boost sales growth. We strongly believe that the phygital model will be our key edge in driving growth in the coming years.

TRANSLATING INTO STRONG PERFORMANCE

On the back of our unique value proposition, agility and hard work, I am happy to report that SHIL delivered robust profitability and revenue growth together with strong margins despite the unique challenges faced during the year.

The strength of our business was validated by a robust 10% increase in revenues to ₹ 1,775 crore vis-à-vis the previous year, despite the COVID-19 led lockdowns significantly impacting our Q1 sales. Our stringent cost management helped us register 43.3% growth in EBITDA at ₹ 161 crore. Of the total revenues, the Consumer Appliance business reported revenue of ₹ 455 crore while the Retail business reported a revenue of ₹ 59 crore, with the Building Products business contributing ₹ 1,262 crore. The decline in the Retail business was in line with our strategy of closing unfeasible stores and focusing on profitable growth instead. We are using the strength of our e-commerce portal, Evok.in to power the Retail business.

Our Consumer Appliance business, with its extensive range of exciting and innovative products, reported strong performance during the year. Our investments in Internet of Things (IoT) enabled us to provide customers a host of appliances that were ready to meet their present needs. We have the largest range of IoT appliances in the country and during the year we introduced our own IoT-enabled platform, Hindware Konnect, with its range of self-service options for the consumer while connecting our intelligent products through the app at the touch of the finger.

The Building Products business too maintained its growth momentum owing to the diverse portfolio and improving demand from the resurgent real estate sector. We continue to lead the space with innovative launches including the industry-first tankless wall-mounted EWC, apart from a range of contactless sensor faucets.

With the assurance of quality and new engagement strategies across the value chain, in less than

three years, our plastic pipes and fittings business demonstrated strong performance and reached a revenue of ₹ 400 crore during the year. We forayed into the overhead water storage tanks and introduced patented column pipes for borewell applications and underground drainage pipes.

Hindware Appliance was recently mentioned amongst the exclusive global brands in the Smart Homes domain at Google's IO, a global event

UNLOCKING VALUE THROUGH PARTNERSHIP

Our strategy of bolstering our market presence and growing the business through strategic partnerships reached its fruition in our alliance with the Euro 2.2 billion French multinational and market leader in eco-friendly heating products, Groupe Atlantic. Through this JV, Groupe Atlantic will be investing ₹ 68.3 crore for a 50% stake in Hintastica Private Limited (HPL), our water heater business subsidiary. Under this arrangement, we are setting up a manufacturing plant in Telangana, which is expected to be completed in FY 2022-23. Groupe Atlantic has more than 50 years of experience in the business of water heaters and heating solutions and this JV is in line with our business objective of building leadership across pioneering categories.

Under the JV, we will manufacture and market a range of high-quality water heating products under the brand, Hindware Atlantic. The subsidiary will leverage Groupe Atlantic's proven expertise in manufacturing, technology, and assembly as well as SHIL's strengths

in marketing and distribution. We are targeting to reach markets in other SAARC nations besides India. It will also give us access to other innovative and premium products in Groupe Atlantic's portfolio, further bolstering our position in the water heater industry.

This transaction is the result of the confidence shown by a global leader in SHIL's understanding of the Indian consumer's preferences and its extensive distribution network.

OUR STRATEGY FOR SUCCESS

- ◆ Introduction of innovative products across categories
- ◆ Leveraging our strong distribution network
- ◆ 3 distinct channels i.e. sanitaryware and faucets, consumer appliances and omni-channel hardware (pipes)
- ◆ Prudent capital allocation towards fast-growing profitable segments
- ◆ Investing in robust brand building activities
- ◆ Asset-right model with robust supply chain and outsourced manufacturing

In less than three years, our Plastic Pipes and Fittings business has registered strong growth and reached a revenue of ₹ 400 crore during the year

GROWTH CATALYSTS

Continuous innovation is the key to our success. We have been investing in research and innovation, striving to provide our consumers with intelligent products that help make their lives easier and smoother. Our aim has always been to empower the consumer through the massification of technology.

We made a major strategic shift in our Retail business as we decided to shut the unfeasible stores and focused on growth driven by our e-commerce portal and franchise route. This has helped us in being EBIT positive for two consecutive quarters during the year. We will continue to grow the business through online and the asset-light franchise model.

In the Plastic Pipes and Fittings business, we are continuously adding newer SKUs and now have more than 1,100 SKUs with a strong distributor network of 210+ across the country. We are also partnering with the influencer community to gain strong momentum. Our continued expansion into newer categories, unmatched product quality, and reach are expected to position us strongly in the market. In the sanitaryware and faucets segment, we will continue to realign our product portfolio to make it even more contemporary with a

focus on a touchless series. We are further expanding our reach to tap a wider market as we plan to add more brand stores in towns with a population of more than 1 lakh as well as appoint distributors in Tier 3 and Tier 4 towns.

GOING FORWARD

Hindware is a very strong brand that has earned the confidence of millions of consumers in India. We will try to build on our learnings from consumers and leverage our strengths in R&D and distribution to further enhance our strengths as we straddle multiple categories. We will also continue to invest in brand building across diverse channels. COVID-19 and restricted mobility will be a part of people's lives. The situation is opening up new business opportunities for us. We are excited about the prospects and believe that we are well-positioned to capitalise on the opportunities which the post-pandemic world will offer.

We believe that smart and connected products will have strong traction in the coming years. While improving ease of use and enabling multi-tasking, they also promote cost-saving and energy efficiency.

I am proud of our team for having demonstrated grit and character during a difficult time. Their determination and dedication helped us navigate the challenges during the year. I thank our shareholders, banks, and service providers for their trust and conviction in our abilities. The future looks exciting, and I believe that the journey ahead together will bring us many rewards.

Sandip Somany
Chairman

Board of Directors

An inspiring leadership to guide our way



Mr. Sandip Somany
Chairman and Non-Executive Director
 Age: 57 years

He has over 36 years of experience in the ceramics and glass industry.

He is the Chairman of the Indian Council of Sanitaryware Manufactures (INCOSAMA) and a member of the Governing Council of All India Glass Manufacturer's Association. He has served as the President of the PHD Chamber of Commerce and Industry (PHDCCI) and the President of International Chamber of Commerce - (head quarter in Paris) India Chapter. He was also the President of Federation of Indian Chambers of Commerce and Industry (FICCI).

He holds a Graduate degree and a diploma in Ceramic Manufacturing technology from US.



Mr. Rakesh Kaul
Whole-time Director & CEO
 Age: 51 years

He has over 26 years of experience.

He has worked with leading companies such as Reliance Retail, The Times Group, Onida and Whirlpool spanning diverse sectors and industries that includes consumer durables, e-commerce, retail and mobility. He was part of the leadership team that was driving the incredible retail expansion at Reliance Retail for formats like Hypermarts and Reliance Fresh across the country.

He holds a Master's degree in Foreign Trade from the Symbiosis Institute of Management Studies. He also holds a Master's degree in Business Administration from The Institute of Management Studies, Kurukshetra, and a Bachelor's degree in Science from the Delhi University.



Mr. Nand Gopal Khaitan
Independent Director
 Age: 70 years

He is an Attorney-At-Law, Advocate and Notary, practising in the Honourable High Court Calcutta and the Honourable Supreme Court of India. He is a Senior Partner of Khaitan & Co., one of the leading law firms in India. He was a Committee member of FICCI, the President of Indian Council of Arbitration, New Delhi and the Vice President of the Bharat Chamber of Commerce, Calcutta, and an Executive Committee member of two leading schools in Kolkata. He was awarded Bell Chamber's Gold Medal by the Incorporated Law Society, Calcutta High Court, for ranking first in all the Law examinations. He is the former Vice President of the Agri-Horticultural Society of India.



Mr. Ashok Jaipuria
Independent Director
Age: 67 years

He is the Chairman and Managing Director of Cosmo Films Ltd. He is a businessman with a strong vision, who made Cosmo Films Ltd. the largest Biaxially Oriented Polypropylene (BOPP) film manufacturer and exporter. He is a member of the Board of Governors of Public Health Foundation of India (PHFI), Gurugram. He was a member of the Board of Governors of the Indian Institute of Technology, Indore and Patna. He was a member of the Executive Committee of the FICCI as well as the Institute of Liver & Biliary Sciences. He was the President of the Golf Foundation, a charitable society formed with an objective of helping the under privileged potential golfers in India. He is the Founder Trustee of the Cosmo Foundation, an organisation to impart education to the underprivileged.

He holds an Associate of Arts degree in Business Administration and a Diploma in Marketing Science.



Mr. Salil Kumar Bhandari
Independent Director
Age: 63 years

He is the founder of BGJC & Associates LLP, which is a well-known audit and management consulting firm based in New Delhi. He has been counselling top management in several areas of strategy implementation, scaling up of business, organisational development and management and family structures. He brings with him valuable experience and tactical know-how in the areas of devising acquisition strategies, international alliances and JVs and organisational restructuring. He was the President of PHD Chamber of Commerce and Industry, served as the head for Society for Integrated Development of Himalayas (SIDH), member of Task Force – Commission on Centre State Relations, Govt. of India, Managing Committee member at ASSOCHAM, Member - Advisory Committee, Dept. of Company Affairs, Government of India. He is currently on the Board of the Indian Institute of Management (IIM), Indore. He is a member of the National Executive Committee of FICCI.

He is a fellow member of Institute of Chartered Accountants of India, B.Com. (Hons.), and holds a Diploma in Business Administration.



Ms. Anisha Motwani
Independent Director
Age: 58 years

She is a brand, digital and innovation expert and a multi-faceted business leader with over 29 years of experience in diverse industries like advertising, auto manufacturing, financial and health services.

She is the Founder & Managing Partner of 'Storm the Norm', an innovation company. As an industry expert, she advises the World Bank on the 'Swachh Bharat Programme', the 'National Mission for Clean Ganga' and the programme for 'Solar Energy Rooftop'. She was voted as one of the 50 Most Powerful Women in Indian Business by Business Today for three consecutive years since 2009. She has also been recognised amongst the Top 50 Women in Media, Marketing and Advertising by Impact & Colors for four consecutive years since 2011. She has been conferred the 'Women at Work Leadership Award 2011' by Asian Confederation of Business and the 'Brand Builder of the Year' award by NDTV, among many others.

She is a Science Graduate from Sophia College and holds a Master's Degree in Business Administration.

Business Model

Building a robust platform for long-term value creation

OUR KEY INPUT RESOURCES



Brands and products

Our focus on innovation and differentiation has led us to introduce a wide range of products with best-in-class quality, supported by a bouquet of trusted brands.



Wide reach

We have three distinct distribution channels – sanitaryware and faucets, consumer appliances and omni-channel hardware (pipes), that helps us stay close to our customers. Besides, we have created a significant online presence and we are driving our reach through a hyperlocal approach including e-commerce.



Deep insight

We interact with our customers regularly to understand their requirements, which helps us to design our products better and embed features which are not only relevant but also future-ready.



Innovation

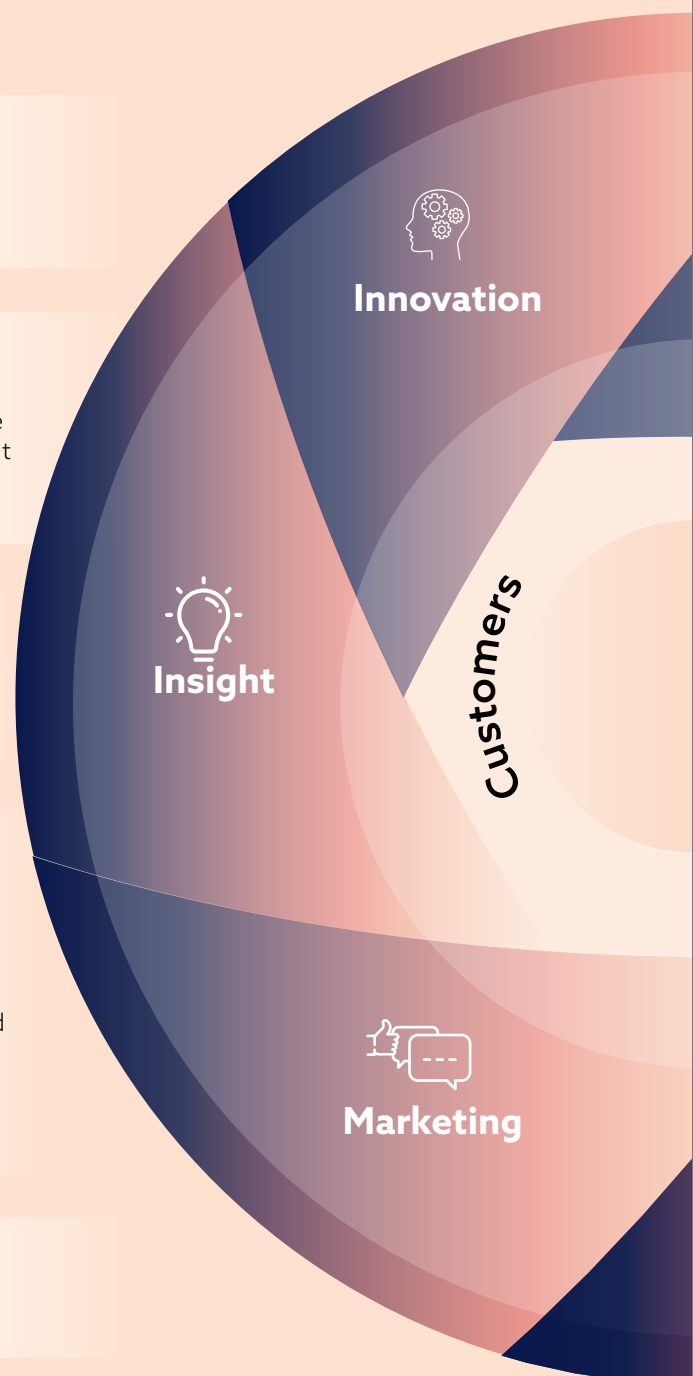
- ◆ Our strong R&D team focuses on offering cutting-edge products that blend aesthetics with functionality, easing the lives of consumers
- ◆ Through our research, we gather insights that give us a competitive edge to introduce smart products including ones which ensure the health and well-being of our customers
- ◆ The strength of our innovation is reflected in the 28 patents applied over the past few years in our consumer appliance business



Our workforce

Our strong team fosters a culture of innovation, drives overall organisational goals and provides us with a competitive edge.

OUR BUSINESS PROCESS



Our business model demonstrates resilience across cycles. Through our diversification across multiple business streams, judicious allocation of resources, and creation of a robust product portfolio, we are able to generate sustained value for all our stakeholders.

VALUE CREATED



Product development

Customers



Distribution



Service



Shareholders

Superior return generated through a revenue of ₹ 1,775 crore, EBITDA of ₹ 161 crore and a net profit of ₹ 55 crore validates our commitment towards creating long-term value for our shareholders and investors.



Employees

Our employees make a significant contribution to the success of our Company and we ensure we create a working environment that is conducive to their growth. Employees form an integral part of our business model and help us effectively serve our customers' needs.



Customers

We are able to bring to our customers a wide spectrum of products across categories that address their present needs and create aspirations for more evolved products. As our businesses continue to grow, we are foraying into new categories and segments which have synergies with our existing businesses to offer Indian consumers a multitude of options.



Dealer and Distributors

We strive to establish long-term partnerships with dealers. We support our sales partners in various ways, including advising them on business structure and imparting periodic trainings.



Suppliers

We collaborate with our suppliers in a fair and equal partnership. In return, we expect them to meet social and environmental standards while ensuring quality supply at the right cost and at the right time to ensure seamless business operations.

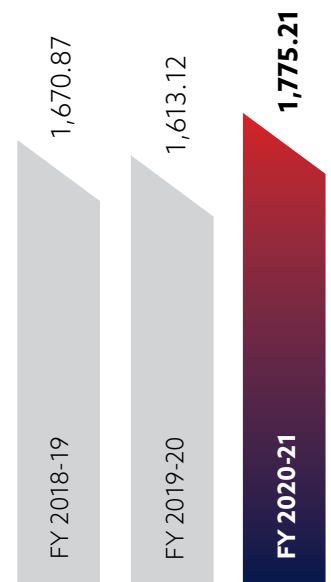
Key Performance Indicators

Our performance in numbers

The COVID-19 pandemic disrupted business activities during the first half of the year. Despite this, we continued our growth momentum and increased market share across segments.

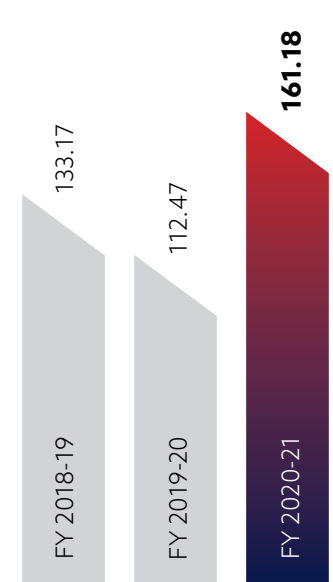
Revenue from Operations

(₹ in crore)



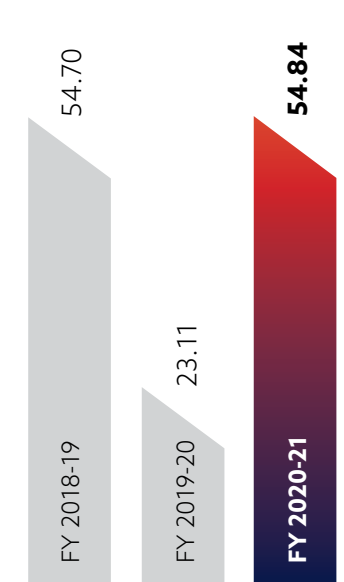
EBITDA

(₹ in crore)



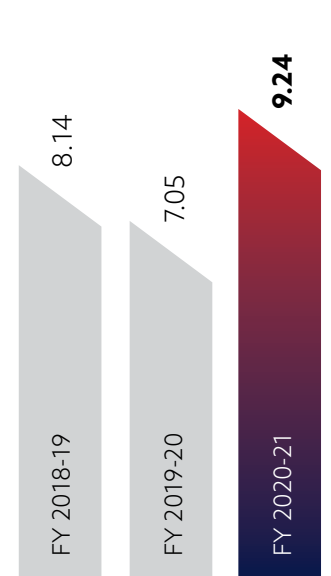
Profit After Tax

(₹ in crore)



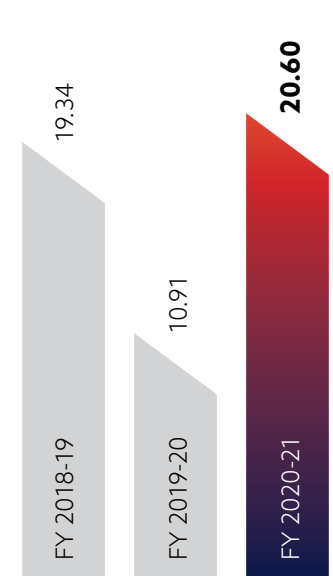
EBITDA Margin

(%)



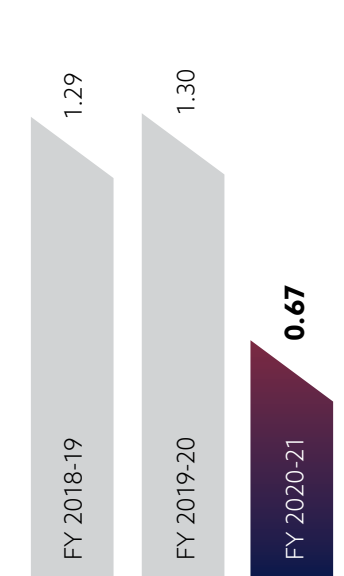
Return on Average Capital Employed

(%)



Debt-equity Ratio

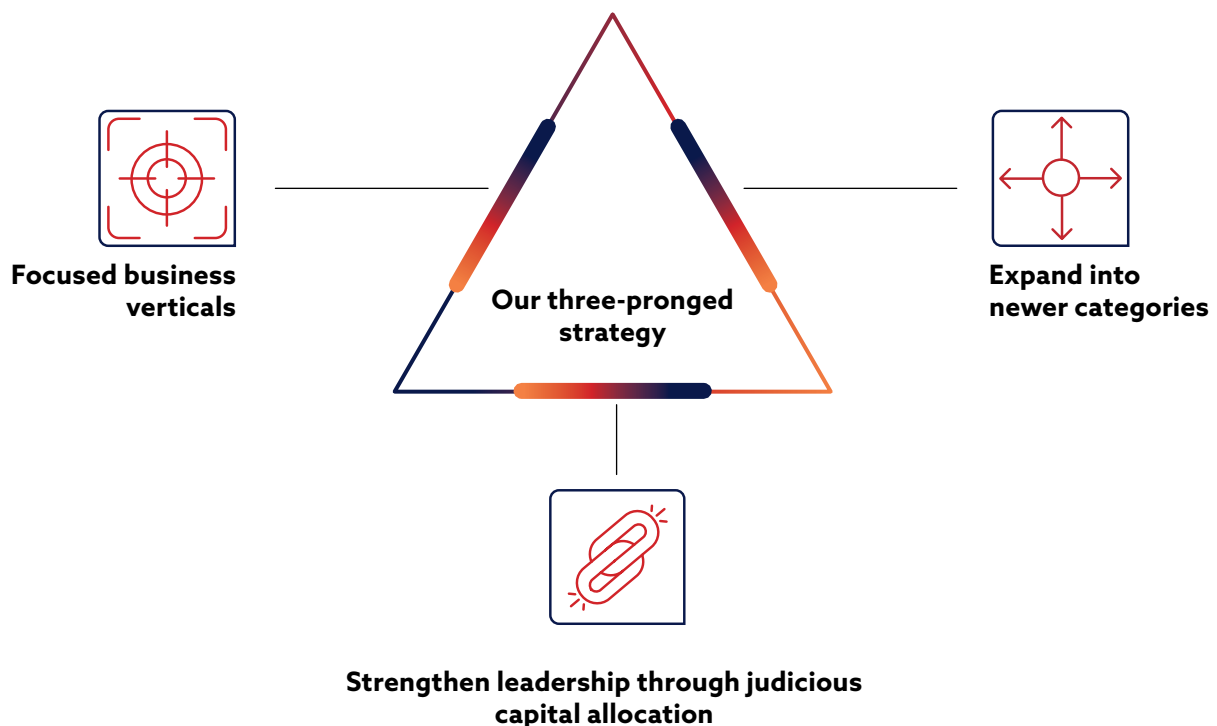
(in times)



Strategy

Progressing with clearly defined priorities

To address our objectives as a customer-first company, to drive business growth and to create long-term stakeholder value, we have devised a three-pronged strategy that will define the path of progress for the Company. We are building our capabilities around these strategic pillars.



EXPAND INTO NEWER CATEGORIES

Our continuous effort is to introduce new products and enter categories that can leverage the existing brand and channel network of Hindware and our strong research and innovation capabilities. Our expansive distribution reach, across all segments, enables us to service existing markets and reach out to newer markets. We are harnessing distinct distribution networks to market newer products and cross-sell to our existing customer base. Our strong R&D capabilities make it possible for us to consistently introduce innovative products that attract aspirational customers.

From being a leader in the sanitaryware segment until a few years ago, we have become an established leader in multiple business segments. We are the 2nd largest player in the Faucet segment and have become the fastest-growing Plastic Pipes and

Fittings brand in India within three years of its launch. In the Consumer Appliance business, we are now the second-largest player in the kitchen chimney category within a span of five years of operations. We have also emerged among the top five players in the air cooler as well as the water heater category.

STRENGTHEN LEADERSHIP THROUGH JUDICIOUS CAPITAL ALLOCATION

We allocate capital to maximise returns by concentrating on segments where brand Hindware can emerge amongst the top five players within five years of commencing operations. We have channelised our efforts accordingly in the past towards new product segments and distinct distribution networks, and the sustained drive is already delivering results. We are making more focused investments in strengthening our supply chain and investing in

strategic outsourced manufacturing. This enables us to offer a wider product basket, assured supply of quality products as per our design, with optimised capital expenditure.

FOCUSED BUSINESS VERTICALS

We are creating distinct business verticals led by professional CEOs and management teams who are concentrating on building long-term growth. We are scaling our presence in the fast-growing Consumer Appliance and Plastic Pipes and Fittings business. The differentiated product mix we offer is supported by intelligent marketing and branding campaigns. Our Retail business is focused on enhancing profitability through the omni-channel route. The Sanitaryware and Faucets portfolio is being contemporised with an enhanced focus on contactless options in line with the goal to continuously gain market share.

Segmental Review

Delving deeper into our businesses

CONSUMER APPLIANCE BUSINESS



₹ **455** CRORE

Revenue from operations in
FY 2020-21 ▲ 26%

26%

Share of total revenue in
FY 2020-21



Product portfolio

HINDWARE KITCHEN ENSEMBLE

Chimneys, cooktops, built-in hobs, cooking ranges, induction cookers, food waste disposers, built-in microwave ovens, built-in ovens, dishwashers, kitchen sinks, and food sanitisers

HINDWARE ATLANTIC WATER HEATERS

Storage, Instant, Gas, Heat pump

HINDWARE SNOWCREST AIR COOLERS

Desert, Personal, Tower, Window, Desktop, Foldable

HINDWARE SNOWCREST FANS

Premium, Decorative, Classic

MOONBOW BY HINDWARE AND HINDWARE WATER PURIFIERS

RO+UV water purifiers, UV water purifiers, IoT-enabled water purifiers

FGV BY HINDWARE

Kitchen and furniture fittings - MS Slide-on, integrated soft close, corner pie and wide angle hinges, comfy ball bearing and excel bottom mounted drawer channels and Ten, Uniplus and Unilux drawer system and Aerolift Liftups

Segmental Review

Key brands



hindware
KITCHEN ENSEMBLE

HINDWARE KITCHEN ENSEMBLE

Designed for modern-day homes, the kitchen ensemble caters to diverse kitchen needs including chimneys, food waste disposers, built-in microwaves, food sanitisers, built-in ovens, built-in hobs, cooktops, dishwashers and kitchen sinks.



hindware
SNOWCREST

HINDWARE SNOWCREST AIR COOLERS

The range includes Desert, Personal, Window, Tower and Desktop coolers, with capacities ranging from 12 litres to 100 litres. These are the first air coolers in India that offer changeable colour panels that can be changed according to the consumer's preference. They put up a powerful performance and have other technologically advanced features that guarantee comfort for the customer while delivering on the look factor.



hindware
SNOWCREST

HINDWARE SNOWCREST FANS

Hindware Snowcrest fans are aesthetically designed, custom crafted for modern Indian homes. The ceiling fans are available in a line-up of six models under three categories such as Premium, Decorative and Classic.



hindware
atlantic

HINDWARE ATLANTIC WATER HEATERS

Hindware Atlantic water heaters are enabled with advanced technologies such as Exclusive O'Pro Protection and Titanium Core Shield that assure consumers safety, durability and fresh hot water. Available in a wide range starting from 1 litre up to 50 litres. Heat Pumps water heaters are available in 150 litres and 200 litres size.



moonbow
by hindware hindware

MOONBOW BY HINDWARE AND HINDWARE WATER PURIFIERS

Hindware water purifiers are aesthetically crafted and disruptively designed so that they can bring goodness into the lives of customers. Our water purifiers come with cutting-edge technologies, such as Advance Copper+ Technology, Mineral Fortification, etc., that ensure the water is 99.99% safe, pure and comes with the goodness of essential minerals.



hindware

HINDWARE SURFACE DISINFECTANTS

Purge Surface disinfectant generator under brand Hindware Appliances creates a natural sanitiser using pure water within three minutes. It is tested and certified to effectively remove 99% of the viruses and germs.



FGV FORMENTI & GIOVENZANA
Powered by hindware

FGV POWERED BY HINDWARE

The furniture and fittings products comprise MS Slide-on, integrated soft close, corner pie and wide angle hinges, comfy ball bearing and excel bottom mounted drawer channels and Ten, Uniplus and Unilux drawer system and Aerolift Liftups.

Segmental Review

New launches



SPECTRA IPRO AND ACURA IPRO

We added to our growing portfolio of connected devices through the launch of IoT-enabled Smart Desert and Personal air coolers. Both products are designed with smart automation, offering features such as Geo-fencing and Wi-Fi Direct and Alexa controlled features. These devices can be easily managed from anywhere at any time through the Hindware Appliances app.



ACTIVIO FOOD SANITIZER

The product has been launched keeping in mind the growing concerns over hygiene. The product utilises natural Ozone Purification Technology and generates potent micro bubbles to wash all foreign residues on the surface. It provides users with dedicated modes for cleaning fresh produce, meat and cutlery.



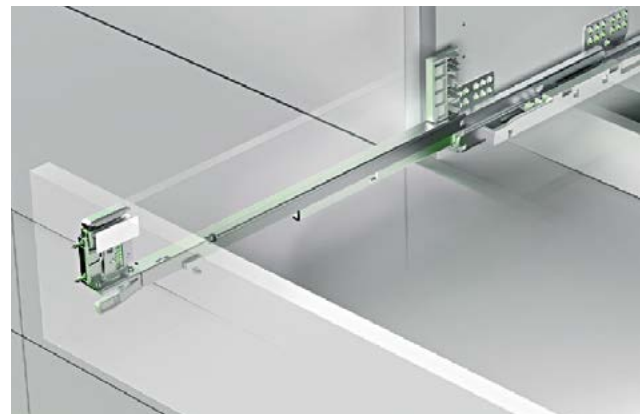
HINDWARE PURGE

This is a surface disinfectant for furniture, household appliances, bathtubs, electronics, fruits and vegetables, among others. The product is tested and certified by TUV SUD South Asia Pvt Ltd. to effectively remove 99% of the viruses.



ELARA IPRO

This is our second IoT-enabled RO+UF+Minerals+UV LED water purifier, equipped with Advanced Copper+ Technology and UV LED inside the tank for ultimate water purity. The easy mobile app allows access from anywhere at any time with Wi-Fi direct technology, enabling communication even without an active internet connection at home.



UNILUX SLIM DRAWER SYSTEM

Keeping up with the changing market trends in India, we have launched series of slim drawer systems in 3 different heights and widths to cater to the fittings market.

Brand campaigns



HINDWARE SNOWCREST I-FOLD AIR COOLERS

With the launch of Hindware Snowcrest i-Fold, India's first foldable Air Cooler, Hindware Appliances released a new TVC campaign 'Summers mein kare cold, winters mein ho jaaye fold', showcasing the key features of the product. The TVC was laden with the same elements of fun and simplicity as the tagline, thus truly resonating with i-Fold's remarkable offerings.

To reach its target audiences, the 360° integrated campaign was visible on platforms such as TV, print, and digital for widespread reach and was aired on 24 television channels including Sony Sab, AAJ TAK, NDTV, and ABP Network amongst others. It went live on Hindware Appliances social media channels like Facebook, YouTube and Instagram to reach out to our target audience. It was made available in regional languages including Hindi, Tamil, Telugu and Kannada, to run across numerous states.



HINDWARE KITCHEN ENSEMBLE: HOBBS

The Hindware Kitchen Ensemble launched a new TVC on kitchen hobs, highlighting the MaxX Safe Technology, which was extremely well received in the market. The campaign demonstrates the effectiveness of the MaxX Safe Technology which prevents gas leakage in

case the flame goes off while the knob is in the 'on' position. The TVC further emphasised the appealing aesthetics of the hob while addressing the concern of fire related mishaps. The 360° integrated campaign was extremely well received by the market and customers.

Segmental Review

Growth drivers

RESEARCH AND INNOVATION

During the year under consideration, our R&D was registered with the Department of Scientific & Industrial Research (DSIR) and we were recognised by the government for our in-house R&D activities.

At SHIL, our R&D activities have enabled the development of processes that have enhanced the Company's capability to develop innovative products with different degrees of novelty. In FY 2020-21, we applied for seven new patents across various product categories, taking our total number of patents to 28. All patents are used in the products and have been launched in the market, giving us a competitive edge.

Some key innovations launched include Flosense technology (patent applied for) in water purifiers that tells the consumers the exact time to replace the RO membrane and other filters separately. Auto Jug Fill technology smartly fills the jug without any manual intervention. Water purifier enabled by this technology

provides 50% higher recovery and hence reduces water wastage.

We have recently launched India's first foldable air cooler i-Fold, a patented design which can be easily folded and stored in small spaces in less than a few minutes.

Our Auto Clean Chimneys have been upgraded with Maxx Auto Clean technology (patent applied for) to further reinforce our position in the Auto Clean Chimney Segment. In addition, we have launched Maxx Silence technology to remove a key consumer pain point - noise.

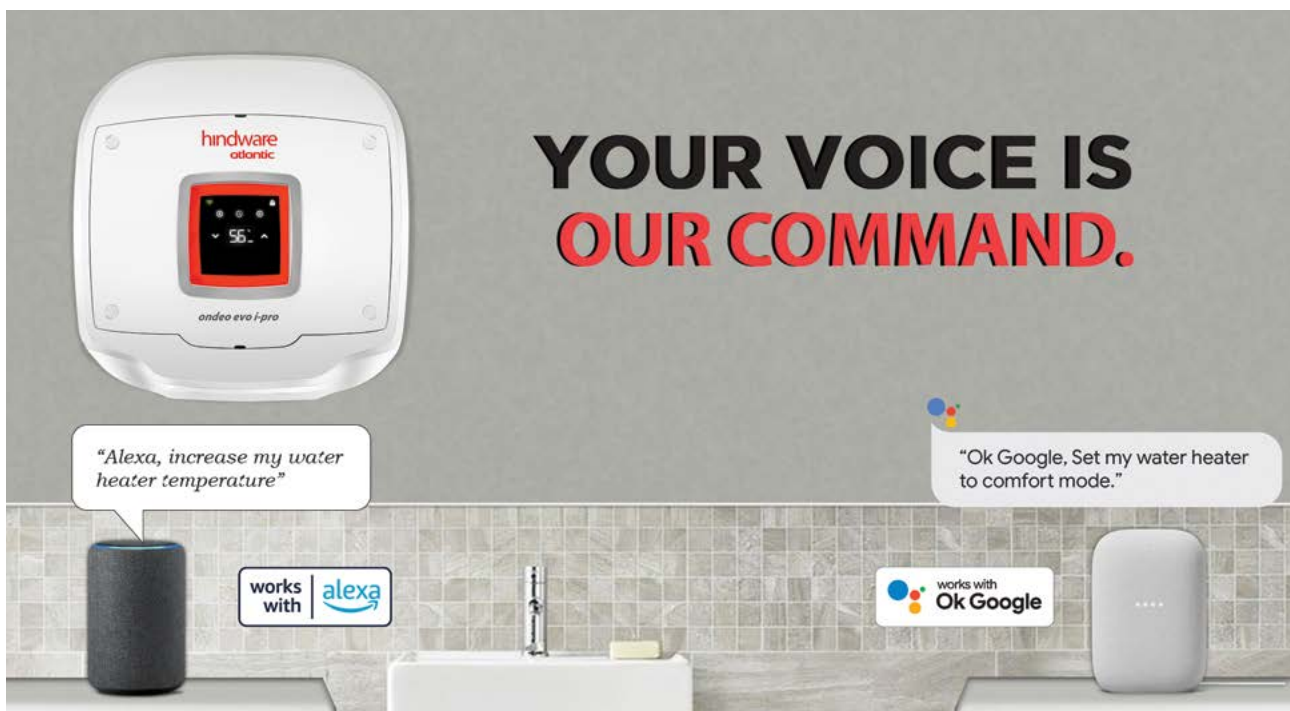
Our superior R&D is aiding Hindware Appliances to introduce connected and intelligent products. Our recently launched IoT platform Hindware Konnect app allows IoT-enabled Hindware Appliances to be seamlessly managed from anywhere at any time. It assists users in operating, monitoring, and controlling the products remotely, auto diagnose, troubleshoot and register service requests at the touch of a button. During the year, we added advanced features to our

Hindware Konnect platform, such as voice integration through Alexa and Google Home, Wi-fi Direct, Geo-fencing, etc. With all these features, we have one of the most advanced IoT ecosystems in India.

In FY 2020-21, we also launched additional smart products in the water purifier and air cooler categories. Currently, we have smart products under five different product categories, with an SKU count of 10, which makes us the only company in India to offer the largest IoT-enabled appliances range including industry-firsts in certain categories.

From developing products that are eco-friendly to designing technologically advanced smart and intelligent products, our R&D Centre is the primary source of all our future products and technologies.

28
Patents applied since inception



IoT Innovations



Spectra iPro

Equipped with features such as Geo-fencing and Wi-Fi Direct, and Alexa-controlled features.



Achelous Premium iPro Water Purifier

India's first IoT-enabled water purifier with RO membrane life alert and real-time filter alert features.



Ondeo Evo iPro Water Heater

Operate from anywhere, track monthly power consumption, schedule shower, set heating modes and one touch key to register service request.



Optimus iPro Chimney

- ◆ India's 1st ever IoT-enabled chimney
- ◆ MaxX Silence Technology*

OMNI-CHANNEL PRESENCE

The ongoing pandemic has reinforced the importance of being present on online platforms where we already have significant presence. Our e-commerce focus has resulted in overall growth of the business as online presence elevates our brand and product visibility, which, in turn, helps our offline partners. Going forward, we will develop a hyperlocal approach by connecting many of our distributors

with our B2C e-commerce channel so that offline distributors too can be a part of the growth story created by e-commerce.

On the other end of the spectrum, our exclusive kitchen galleries, established in key locations, are helping us to not only address demand from the respective cities but also enabling customers to experience our complete kitchen appliances range under one roof.

We continue to expand our network of kitchen galleries as well as shop-in-shop in multi-brand dealer outlets.

With work from home becoming the new normal, customers are now upgrading and opting for premium home appliances to make their lives at home easy. Our distribution channels are helping us remain closer to our customers to serve them faster and efficiently.

Segmental Review

Progressive alliance for an accelerated growth

Hintastica Private Limited: Joint Venture with Groupe Atlantic

The water heater market in the country comprises ~36 lakh units annually and has grown at a 10% CAGR in the last four years. To capture a larger share of the market, we entered into a 50:50 joint venture with Groupe Atlantic (<https://www.groupe-atlantic.fr/en/>), a France based 2.2 billion Euro company with a dominant presence in manufacturing, developing, and distributing eco-friendly heating products and hot water solutions. Groupe Atlantic has invested ₹ 68.27 crore for a 50% stake in Hintastica Private Limited.

The JV company will have a state-of-the-art manufacturing plant built on a 5.7 acres plot in Telangana and is expected to be completed by FY 2022-23. The project is in line with the Government of India's 'Make in India' initiative and all key components will be sourced from within India.

HPL will leverage Groupe Atlantic's proven prowess in manufacturing and R&D, and SHIL's vast marketing and distribution capabilities. The setting up of a manufacturing plant will help us increase volumes, scale and efficiency. The JV will also help expand the product basket as HPL will sell Groupe Atlantic's related products in India and across SAARC countries.

FY 2022-23
Expected completion of the manufacturing unit of the JV

About Groupe Atlantic

Groupe Atlantic has over 50 years of rich experience in eco-friendly heating and hot water solutions in Europe, the Middle East, Africa, and Asia. It has commercial operations across four continents and 28 industrial sites. It owns 17 brands that are geared towards providing efficient and eco-friendly heating solutions for homes as well as other applications. Groupe Atlantic produces over 8 million appliances and products every year, including 2.8 million water heaters at its six dedicated manufacturing plants.

 **hintastica™**



RETAIL

₹ **59** CRORE

Revenue from operations in FY 2020-21

3%

Share of total revenue in FY 2020-21



Under the brand EVOK, we offer home furnishing products ranging from solid and engineered wood furniture, soft furnishings, home décor and accessories, decorative lightings, and floorings, wall fashion, modular kitchens, baths and wardrobes. The core vision of EVOK is to be the first-choice partner of customers aspiring for value-for-style home interior solutions.

We are making a shift in the strategy as we are optimising the business model. We have decided to shut eight of our 10 retail furniture stores and be leaner in our go-to-market approach. We are also building a robust franchise network that will drive this business segment, freeing up invested capital.

2

Company-owned stores

Besides, our sharpened focus on our online portal www.evok.in has helped augment revenues. We have become the first Indian brand in the furniture domain to launch a hyperlocal platform (to integrate franchise stores with the e-commerce portal). Through the portal, we are offering a range of 2,500 products across 14,000 pin codes.

20

Franchise-owned stores

Product portfolio

- ◆ Solid wood furniture
- ◆ Engineered wood furniture
- ◆ Soft furnishings
- ◆ Home décor and accessories
- ◆ Wall fashion
- ◆ Modular kitchens and wardrobes
- ◆ Decorative lightings

Segmental Review

BUILDING PRODUCTS



₹ **1,262** CRORE

Revenue from operations in
FY 2020-21 ▲ 9%

71%

Share of total revenue in
FY 2020-21



Product portfolio

SANITARYWARE

Water closets, wash basins, pedestals, squatting pans, urinals, cisterns, bidets

FAUCETS

Showers, bathroom faucets, kitchen faucets, accessories

WELLNESS

Bathtubs, shower panels, shower enclosures, whirlpools, steam generators

PLASTIC PIPES AND FITTINGS

CPVC, UPVC, PVC, SWR, column pipes and overhead water storage tanks

TILES

Glazer vitrified, ceramic, full-bodied vitrified, super-slim, cladding, parking

ALLIED PRODUCTS

Concealed cisterns, seat covers, PVC cisterns

Segmental Review

Key brands



QUEO

QUEO: LUXURY BRAND

Queo is designed by acclaimed European designers, featuring modern European concepts to create what we call 'bath lounges'. At Queo, less is more - the modern, minimalist concept that strips everything down to its essential quality to achieve simplicity. Its design journey encapsulates how basic geometric forms come together to create luxurious experiences, enunciated through a concoction of aesthetics and opulence.



hindware

HINDWARE: PREMIUM BRAND

Since its inception, Hindware is recognised for quality and the widest range and today is synonymous with expertise. The brand constantly strives to achieve a confluence of understanding of the Indian market, technology and aesthetics in Hindware Design Studio to create bathroom products that leave one truly rejuvenated. Hindware is preferred by millions of Indians and has the highest reach across the country. The brand's expertise is not just limited to the path-breaking products but can also be experienced through some exemplary services such as expert helpline number, DreamBath App.



hindware ITALIAN COLLECTION

HINDWARE ITALIAN COLLECTION: PREMIUM BRAND

Hindware Italian Collection has been designed keeping contemporary India in mind. The products are a perfect amalgamation of thoughtful features and beautiful designs. The collection features products that are functionally-led, high in performance, yet aesthetically stunning. From water closets that use minimum space to fit into the urban home, to eco-friendly faucets which save water, and showers that give the perfect water temperature every time, our products are designed to not just look beautiful but also function in a thoughtful way.



BENELAVE™

BENELAVE: MASS SEGMENT

Launched in 2011, Benelave products consist of high sheen, quality-tested chrome fittings and sanitaryware. Designed for aesthetics, functionality and durability, it helps to create clutter-free, comfortable bath spaces.



NEOM
NEO MODERN TILES

NEOM: PREMIUM AND SUPER PREMIUM TILES BRAND

Launched in 2019, NEOM is a neo-modern range of tiles that offers inspiring new designs, finishes and innovations. It brings unique, trendsetting ideas inspired by the amazing beauty that's all around us. NEOM tiles reflect the personality of the new-age Indian whose sense of design and beauty is nuanced with varied influences from across the globe. The NEOM portfolio features 'always-in-vogue' marble stone patterns such as Onyx, Carrara, Calacatta and Satvario. It is the first brand to introduce super-slim tiles of a mere 5mm thickness, in the glazer vitrified category and offers an enviable range of large format slabs for spaces that exude grandness.

TRUFLO[®]
by hindware
Pipes & Fittings

'TRUFLO BY HINDWARE': PLASTIC PIPES AND FITTINGS BRAND

'TRUFLO by hindware' offers best-in-class, NSF-certified, CPVC pipes for hot and cold water plumbing applications, along with lead-free UPVC pipes, SWR pipes and PVC pipes for potable water. Our products use NSF-certified CPVC compound, Durastream, supplied by the ~\$ 10 billion Japanese conglomerate Sekisui Chemical Co. Ltd., to help us provide quality piping solutions for varied market requirements. We have recently forayed into the overhead water storage tank and column pipes segment with a wide range of products which has been accepted well by the market.



Segmental Review

New launches



HINDWARE TANKLESS EWC

In an industry first move, we launched the Hindware tankless wall mounted EWC which incorporates an ideal mix of aesthetic appeal, technology and innovation. It has a flush system with no cistern in order to ensure the dual pronged benefits of intelligent space utilisation and hassle-free installation without any wall breakage. Flushing can be done with just 4 litres of water, to curb water wastage. The system runs on four AAA batteries, and is sustainable for nuclear families for over a year.



CONTACTLESS FAUCETS

Prioritising health and well-being during this time of pandemic, we introduced a range of contactless sensor faucets which encourage minimal contact with the surfaces, ensuring safety of consumers in personal spaces like bathrooms and kitchens. Integrated with infrared sensor technology, the contact-free faucets activate water flow, thereby ensuring maximum hygiene. These intelligent sensors detect the user, react precisely to the user's hands and no part of the fitting needs to be touched, with water flow starting and stopping automatically.

Brand initiatives

It has always been our vision to empower people with our expertise through thoughtful product designs based on consumer needs. Translating this vision into action, Hindware has introduced a series of thoughtful initiatives, both on-ground and through its social media platforms.

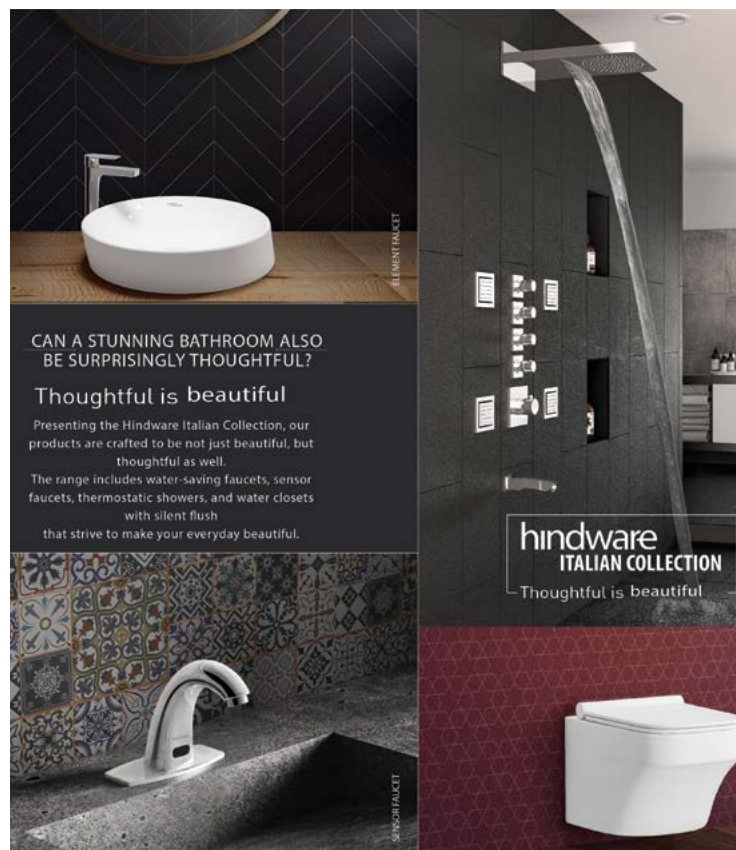
THOUGHTFUL IS BEAUTIFUL

'Thoughtful is beautiful' is aimed at showcasing our beautiful bathrooms with innovative products which help ease consumer's life with many thoughtful features.

We launched an integrated brand campaign, a first-of-its-kind in the category, that aims to shift the conversation from pure looks to the perfect combination of looks and innovative features, a hallmark of the Hindware Italian Collection. The high buzz campaign established new clutter-breaking positioning through promotion on TV, OTT, Digital, Print, Radio and Outdoor media across different markets pan India.

Our brand ad film showcased our beautiful yet thoughtful products such as tankless water closet, sensor faucet, water closet with silent flush and showers with thermostat.

With optimal use of media, engagement with trade partners and influencers, the campaign was very well received and helped the brand amplify its reach and drive a new value proposition amongst core consumers and stakeholders.



SAAF RAHO SAFE RAHO

Reiterating its commitment towards promoting good health and hygiene, Hindware stepped forward as a thought leader at a time when the country was transitioning through the unlock phases post the nation-wide lockdown. We conducted a large scale social campaign during which we placed contactless public handwashing booths in key locations across cities, particularly in high density areas and those that see heavy footfall. The booths ensured no contact hygiene, with water and soap dispensed with the message, 'Saaf raho, Safe raho.'

Each booth was equipped with adequate water and soap, as well

as a foot pedal to ensure that access to handwashing was readily available. These were first installed in the Delhi-NCR region followed by Bengaluru, Kozhikode, Kochi, and Trivandrum.

We initiated a public awareness campaign reaching out to the local media, medical colleges and municipal corporations to inform them about the initiative. Not only did they help us install these booths at various crowded locations, but also acknowledged our efforts towards the spread of hygiene and safety. Awareness about the initiative was created through social media, a film, as well as through the print media.



An initiative to keep India healthy

A Contactless Public Handwashing Booth to give everyone a hygienic way to stay safe.

HYGIENE THAT EMPOWERS

A few years ago, Dasra, an NGO discovered that 23 million girls drop out of school every year in India due to lack of clean toilets. As the leader in the bathroom space in India, Hindware decided to use its expertise to help spread awareness on this issue. On the occasion of World Toilet Day in 2020, 'BUILD A TOILET, BUILD HER FUTURE' initiative was launched under the aegis of 'Hygiene that Empowers'. The efforts focus on encouraging the girl child to continue schooling by providing access to adequate sanitation infrastructure at schools. We have undertaken construction of toilets and will continue this journey by tying up with many more schools across the country in partnership with a non-profit organisation.

With the help of a digital film, radio, print media and a dedicated website, the campaign created awareness amongst the stakeholders, encouraging people to spread the message and take part in the cause. Furthermore, as an industry thought leader highly invested in the design fraternity, we hosted a virtual contest - 'Design Her Future' which saw entries for sustainable toilet models and designs from young architects across India. Judged by an esteemed panel on the basis of ease of installation, form-factor and maintenance, the winning toilet model is being implemented across adopted schools under this initiative.

Segmental Review



DEALER CONNECT PROGRAM

During the unprecedented situation of COVID-19, we conducted 'Digital Charcha' webinar sessions for our dealers where we invited expert industry speakers to share their insights. The sessions were on 'Insights of Digital Marketing', 'Listing Business on Google' and 'Facebook Business Page Creation'. These sessions helped our partners in learning how to safely take their business online for improving sales, conversion, and increase in store footfalls.

ARCHITECT CONNECT PROGRAM

The objective of the Architect Connect Program is to showcase our new launches and marquee products at our flagship stores. It helps us connect better with architects where they are assured of after sales service on their projects by our local channel partners. We also started a program 'The Next Architect' of which four sessions have already taken place. The Next Architect is aimed at engaging the new, rising architects and designers of the country who are doing some notable work in their respective spaces. It was a nomination based event where we invited entries from budding architects from the country on topics that were prediscussed and curated. Every panel had one entry to maximise the reach.

PLUMBER LOYALTY PROGRAM

Plumbers are instrumental in influencing buying decisions and thus the loyalty of the plumbers towards our brand is important. We invited plumbers in a small group for a meet at our stores and dealers' retail outlets following social distancing norms. We organised over 275 small scale plumber meets across the nation between October 2020 and March 2021 post opening up of the economy after the first wave of the pandemic subsided. We created a database on the 3,800+ plumbers who attended these meets.



Digital marketing

During the pandemic, digital presence became imperative to reach out to consumers effortlessly. The opportunity to adapt our marketing strategy into a phygital mode created a cohesive experience and strengthened our reach and engagement with the customers. The objective of our digital strategy was to create a strong online experience by making all information accessible to customers so that they visit the store with a strong decision to purchase. We ensured our presence through different

online mediums like SEM, SEO, and social media at all possible customer purchase journey touchpoints. After capturing these online inquiries, we nurtured them through a Lead Management System for further allocation to the nearest brand store/ relevant sales team.

Our objective for the use of social media is to establish Hindware as an innovation-led brand in the bathroom category, thereby driving conversation and increasing mindshare among the millennial

audience. We created and posted content related to our innovative products and the topical posts resonated with the audience. Apart from this, we actively monitored and managed our online reputation by giving timely responses to online user-generated queries, resulting in higher customer satisfaction.

We also widened our online presence with a products' listing on IndiaMart (largest B2B online marketplace) platform for amplified digital presence among the target audience.

DIGITAL PLATFORMS

- ◆ New website: We recently launched our new brand website to provide the best customer solution through a responsive medium. We have worked on the UI/UX for improving the overall consumer journey, which would increase the conversion of prospect leads. The website has e-commerce and omni-channel functionality
- ◆ Virtual Lacasa tour: This is a 360° virtual tour of the Delhi Lacasa store to help us showcase the product offerings at the store to customers and influencers. This virtual walkthrough gives prospective buyers a feel of the products and the store without actually visiting it
- ◆ Launched a WhatsApp business platform to conduct virtual communication with dealers, updating them about different brand initiatives undertaken that are related to recent product launches, brand campaigns and digital catalogue
- ◆ Strengthened the LMS system to capture, allocate and translate leads into real sales. Leads distribution is done among the brand stores for retail and internal institutional teams for influencer/ project based leads
- ◆ QR codes integration is done for in-shop product brandings. On scanning the code, the customer is redirected to the relevant product page on the website or catalogue for more information

AWARDS

We feel privileged to be recognised as India's leading sanitaryware brand that has always fostered an environment of inclusion and innovation. Over the last decade, we have been bestowed with certifications and recognition that acknowledge our contribution to bathroom designs and innovations.

Hindware was awarded the ET Architecture & Design Best Brand in Bath and Sanitation FY 2020-21.

We were recognised for our efforts by Indian Marketing Awards towards delivering an innovative and effective marketing campaign aimed at a social cause through our 'Saaf Raho Safe Raho' campaign.



Segmental Review

Experiential stores

We have a dedicated network of stores across cities and towns to showcase our brands. These stores act as a first-hand experience centre for our customers and offer sales and post-sales services (except Hindware Lacasa).

HINDWARE LACASA

These are digitally integrated concept stores with cutting-edge design concept, and incorporate intricately curated modern interior architecture to exude modern luxury. The stores offer a series of unique corners designed to take customers on a sensory journey of inspiration. Brands such as Queo, Hindware Italian Collection, Hindware and the new NEOM tiles – along with a selection of 100+ bathroom themes are displayed to help customers visualise their dream bathrooms and homes.



HINDWARE BRAND STORES

Present in four formats such as Hindware Premier, Hindware Galleria, Hindware Boutique and Hindware Studio, based on exclusive display area, store location and business size. The stores display brands like Queo, Hindware Italian Collection and Hindware.

The stores showcase a wide range of products such as faucets, showers, wash basins, chromo showers and wash closets. The design is inspired by the idea of timeless art and the brand's desire to enhance customer bathrooms with elegance and refinement.

QUEO EMPORIO

These stores display exclusive Queo luxury bathroom zone dedicated to showcase the fashion lines by renowned designers like Antonio Bullo, Romano Adolini, Federico Tombolini, Chiara Valeri and Antonio Cristofaro, among others. The stores display the entire range of bathroom products such as sanitaryware, faucets, wellness and shower enclosures. The stores employ hand-picked bathroom experts who are well trained and dedicated to make sure that customers have a smooth experience, both pre and post purchase.



Growth drivers for Sanitaryware and Faucets business

 Innovation and Brand Focus <ul style="list-style-type: none"> ♦ Modernising and premiumisation of portfolio aligned to market. Launched innovative products such as Touchless series and Tankless EWC ♦ Addressing consumers with 'Thoughtful is Beautiful' campaign 	 Focused Channel Based Approach <ul style="list-style-type: none"> ♦ Creation of institutional channel vertical contributing 30% of business ♦ Strengthening teams to address more than 1,100 large institutional customers ♦ Creation of separate faucet vertical
 Expanding Reach <ul style="list-style-type: none"> ♦ Added 100+ Brand Stores in one lakh+ POP towns ♦ Appointed distributors to reach Tier 3-4 towns (500+ towns) ♦ Focused on channel partner ROI by doing fulfillment through depot infrastructure ♦ Professional 3PL appointment to focus on OTIFs 	 Delivering Margins <ul style="list-style-type: none"> ♦ Mitigated higher input costs by value engineering ♦ Strategic procurement by supplier consolidation ♦ Reduced dependence on imports ♦ Passed the unmitigated increases by price hike
 Leveraging Digital <ul style="list-style-type: none"> ♦ Drove Phygital through digital lead generation ♦ Customised ads for large brand stores ♦ Virtual store tours for customers ♦ 20% digital ad spends 	 Enriching After-sales Service <ul style="list-style-type: none"> ♦ Expansion of service infrastructure by franchised HSPs (Hindware Service providers covering 640 districts, attending 40,000 calls monthly and resolving 86% complaints as per SLA of TAT)

Premium and super premium tiles

We forayed into the premium and super-premium grade tiles segment under the brand NEOM. We tied up with exclusive manufacturers to create high-quality premium and super-premium tiles. The asset-light model has helped us launch our tiles business in a short duration of time and focus on product design and innovation to cater to the burgeoning needs of Indian consumers.

Our products are differentiated in terms of their quality and premium appeal. Our inspiration is drawn from

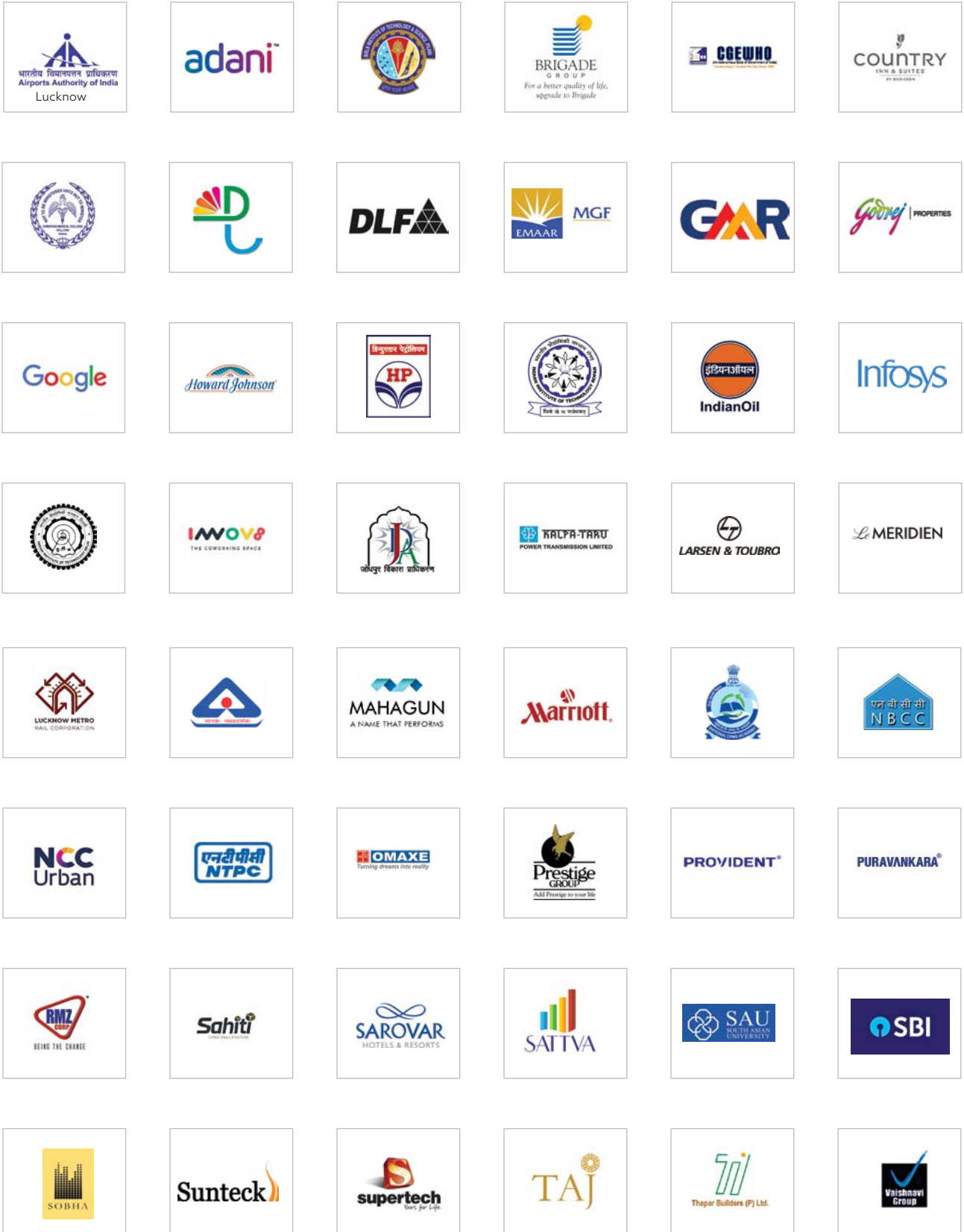
the beauty that surrounds us. The collection features 'always-in-vogue' marble stone patterns such as Ocean Onyx, Carrara, Calacutta Gold and Satvario. We are the first brand to introduce super-slim tiles of 5mm thickness in the glazer vitrified category and offer an enviable range of large format slabs for spaces to exude grandness.

We are focusing on the institutional business which has helped us secure some prestigious projects during the year under review. We are continuously strengthening our market presence through the addition of newer dealers across the country.



Segmental Review

Key institutional clients



Plastic Pipes and Fittings

Truflo by hindware™ is the fastest growing plastic pipes and fittings brand in India. It offers best-in-class, NSF certified, CPVC pipes for hot and cold water plumbing applications, along with lead-free UPVC pipes, SWR pipes, and PVC pipes for potable water column pipes and overhead water storage tanks. The CPCV compound, Durastream is supplied by the ~US\$ 10 billion Japanese conglomerate Sekisui Chemical Co. Ltd. to help us provide quality CPVC piping solutions for varied market requirements. The brand is intended to cater to the high-end segment with a wide range of SKUs to emerge as a one-stop shop.



We connected with 70,000 plumbers through formal and informal exchange. We conducted multiple channel partner connect programs through physical and virtual events during the year across all locations. New product categories were launched through virtual events. TRUFLO by hindware™ organised meets and engagements with plumbers across cities and simultaneously enhanced brand visibility at channel partners' outlets. We distributed sanitiser kits among plumbers and pedestal sanitiser dispensers were installed at high footfall locations in priority markets and key client locations. We initiated wall painting advertisements and other outdoor activities at strategic spots in key cities for better visibility and awareness.

We have created a dedicated channel for the business with more than 20,000 retailers supported by a strong country-wide network of 210+ dealers. This new channel is gradually being nurtured to be a strong and loyal network. This gives us the scope of introducing newer products without an incremental cost leading to increased sales on one hand and improved profitability on the other.

The prestige and instant recognition of the quality and excellence of our Plastic Pipes and Fittings are the result of the hard work of a committed and highly qualified team of professionals, sustained research, and the use of cutting-edge technology.

70,000
Plumbers
were reached
through formal and
informal exchange



Segmental Review

Our growth drivers

STRENGTHENING PRESENCE WITH THE INFLUENCER COMMUNITY

Unmatched quality is one of the key differentiators for the brand, helping it emerge as a recognised name among the influencer community. We have been actively engaging with the influencer community of architects, plumbing consultants and plumbers to build and strengthen our network. Despite the pandemic, we connected with more than 70,000 plumbers via formal and informal channels during the year under review. We are also providing them with training under the Pradhan Mantri Kaushal Vikas Yojana, to enhance their skill set. Our partnership with the influencer community has helped in creating strong acceptance of our product portfolio in the market and has proven to be an effective and sustainable strategic driver for our fast growth.

AUGMENTING OUR PORTFOLIO

Since the launch of our plastic pipes and fittings brand, our focus has remained on strengthening our offerings to provide our customers with a range that completes their plumbing requirements. Our wide range of plumbing solutions is used in the transportation of potable water, gas, distribution lines, electrical/telecom ducting,

chemicals, sewerage/drainage lines, waste disposal, borewells, irrigation, and sprinkler systems.

We have further expanded our presence in the column pipes and overhead tanks segment. With more than 1,100 SKUs, we are positioned as a one-stop solution provider for our customers.



FAVOURABLE GOVERNMENT POLICY

Jal Jeevan Mission is envisioned to provide safe and adequate drinking water through individual household tap connections by 2024 to all rural households. The programme will also implement source sustainability measures as mandatory elements, such as recharge and reuse through grey water management, water conservation, rain water harvesting.

<https://jaljeevanmission.gov.in>



STRATEGIC ADVANTAGES

Quality

Our pipes go through extensive testing to ensure they can maintain their quality and performance. They not only comply with the applicable standards, but also meet requirements that go far beyond existing standards.

Comprehensive Service System

Our services run through the whole process from pre-sale project planning, training and installation guidance to after-sale product support and quality maintenance.

Integrated Management System

Our Integrated Management System (IMS) ensures that all activities that have an impact on product quality, the environment and safety are planned, controlled, monitored and sustainable. Our IMS is based on customer requirements and the standards.

New launches

OVERHEAD WATER STORAGE TANK

Reaffirming our commitment to introducing high-quality plumbing products, we introduced overhead water storage tank segment with a range of durable and sturdy water tanks. This is a ₹ 2,500 crore market and is growing at CAGR of 10-12%.

The new sturdy water tank range is manufactured with food grade compliant LLDPE material. The silver ion-powered antibacterial treatment brings resistance to microbial growth and retains the water safety levels for longer duration. The new water tank range comes with a five-year warranty and comprises three models - Dura, Dura Plus, and Dura Cool. While the Dura and Dura Plus offer three-layered tanks with the assurance of safety and durability, the four-layered Dura Cool variant provides premium quality insulation, which ensures water temperature is relatively cooler.



COLUMN PIPES

TRUFLO Column pipes come with a Double Grip High-tensile Brass Locking System. The column pipe is a combination of a pipe with a threaded coupler fixed on one end. A double Grip Locking System made with heavy tensile metal is developed to prevent slippage of the UPVC column pipe from the UPVC Coupler. This locking system eliminates the chances of the coupler loosening and column pipe slipping during the dismantling process. This locking system also absorbs the torque generated during switching on and switching off of the pump. We have applied for a patent for the locking system. The launch has enabled us access to a ₹ 1,500 crore market segment growing at a CAGR of 11-12%.

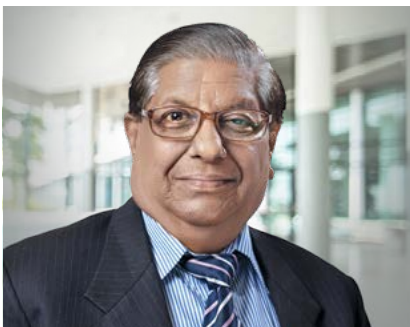
Board of Directors - Brilloca Limited

Leading with experience



Mr. Sandip Somany
Chairman and Managing Director
Age: 57 years

- ◆ Commerce graduate and a Diploma holder in Ceramic Manufacturing Technology from the US
- ◆ 36-years work experience in the ceramics and glass industry
- ◆ Past-President of PHD Chamber of Commerce and Industry (PHDCCI)
- ◆ Past-President of International Chamber of Commerce - (head quarter in Paris) India Chapter
- ◆ Past-President of Federation of Indian Chambers of Commerce and Industry (FICCI)
- ◆ Chairman of the Indian Council of Sanitaryware Manufactures (INCOSAMA)
- ◆ Member of the Governing Council of All India Glass Manufacturer's Association



Mr. Girdhari Lal Sultania
Non-Executive Non-Independent Director
Age: 75 years

- ◆ Commerce graduate, Fellow Chartered Accountant, Fellow Company Secretary and consultant by profession
- ◆ Possesses vast knowledge and experience of Financial Restructuring, Corporate Laws and Legal Compliance
- ◆ General Member of Association of Corporate Advisers & Executives



Mr. Salil Kumar Bhandari
Independent Director
Age: 63 years

- ◆ Fellow Chartered Accountant, Commerce graduate (Honours) and Diploma in Business Administration
- ◆ Founding Partner of BGJC & Associates LLP a well-respected audit and management consulting firm based in New Delhi
- ◆ Experience in counselling top management in strategy implementation, scaling up of business, organisational development and management and family structures
- ◆ Former President of the PHD Chamber of Commerce and Industry (PHDCCI)
- ◆ Member of National Executive Committee of FICCI
- ◆ Currently on the Board of the Indian Institute of Management (IIM), Indore
- ◆ Former Chairperson of Society for Integrated Development of Himalayas (SIDH)
- ◆ Former member of Task Force – Commission on Centre State Relations, Government of India
- ◆ Former Managing Committee member at ASSOCHAM
- ◆ Former member of the Advisory Committee, Department of Company Affairs, Government of India



Mr. Ashok Jaipuria
Independent Director
Age: 67 years

- ◆ Qualified in Business Administration and Marketing Sciences
- ◆ Chairman & Managing Director of Cosmo Films Limited, an Indian MNC, which is into manufacture and export of Biaxially Oriented Polypropylene (BOPP) Films
- ◆ Member of the Board of Governors of Public Health Foundation of India (PHFI), Gurugram
- ◆ Former Member of the Board of Governors of the Indian Institute of Technology, Indore & Patna
- ◆ Former Executive Committee Member of FICCI, New Delhi
- ◆ Former Member of the Board of Governors of the institute of Liver & Biliary Sciences
- ◆ Former President of Golf Foundation, an organisation that helps the underprivileged potential golfers in India
- ◆ Founder Trustee of Cosmo Foundation, an organisation that imparts education to the underprivileged



Dr. Rainer Siegfried Simon
Independent Director
Age: 71 years

- ◆ German citizen and professional with over 34 years of experience in international building products businesses
- ◆ Doctorate and has a degree in Business Administration from St. Gallen University, Switzerland
- ◆ Owner of Birch Court GmbH since 2005
- ◆ Former President and CEO of Sanitec International AG (Europe's largest sanitaryware manufacturer)
- ◆ Held Senior Management positions at Friedrich Grohe AG (largest player in faucet business in the world), Continental AG and Keiper-Recaro and others
- ◆ Member of the Board, Lecico Egypt S.A.E.



Ms. Alpana Parida
Independent Director
Age: 58 years

- ◆ Graduate from IIM Ahmedabad and has a degree in Economics from St. Stephen's College, Delhi University
- ◆ 26+ years of experience in retail and marketing communications in the US and in India
- ◆ Expertise in merchandising management and working with complex mix of vendors and in-house sources in the supply chain to get optimal output in terms of design, quality and margins
- ◆ Current President of DY Works, India's oldest and largest branding firm; prior to that, she was the Head of Marketing at Tanishq, a prominent jewellery brand in India
- ◆ Conducts branding workshops for large corporates and is also associated with various NGOs

Management Discussion and Analysis





The world was faced with an unprecedented catastrophe in the form of the COVID-19 pandemic. The impact was widespread, and several countries opted for complete closure of social and economic activities. India went for a complete lockdown to safeguard its population from infection, resulting in a severe decline in the economy during the first half of the year.

The situation warranted corporates to reassess their strategies and align with the need of the hour to ensure business continuity.

At SHIL, we equipped ourselves to face the challenges posed by this once in a century disruption. We accelerated our digitalisation journey, strengthened our processes, introduced products to meet the needs of the new normal environment and strengthened our omni-channel presence to provide our customers with ease of access to our products.

The pandemic also accelerated the pace of digital adoption. Internet of Things (IoT) is driving innovation and is changing the way consumers interact with devices. The advent of the Internet of Things (IoT) and its mass adoption through wearable and home entertainment technologies are driving familiarity and ease among Indian users. We understand this is the need, thus we have invested substantially into introducing IoT products in the Indian market and today, we have the largest portfolio of IoT-enabled products in our consumer appliance business.

Management Discussion and Analysis

We posted stable revenue growth and profitability along with strong margins on the back of expanding consumer base and a innovation-led product portfolio.

We are continuing our endeavour towards launching innovative products while strengthening our physical and digital distribution networks. Today, we are attractively positioned to capitalise on the emerging opportunities and continue to create substantial stakeholder value.

GLOBAL ECONOMIC REVIEW

The COVID-19 pandemic led to massive trade and business disruptions while causing untold human sufferings. This marked the beginning of an economic slowdown that led all business sectors to come to a standstill across countries and economies witnessed enormous job losses.

The resultant contraction in the global trade volume of goods and services led to ~3.3% decline in global output, the sharpest since the Great Depression. The impact was noticeable in the developed countries who were the worst hit, with outputs declining by ~4.7% as several countries in Europe and several states of the United States of America adopted strict lockdown measures early on during

the outbreak. The emerging economies reported a decline of around 2.2% during 2020.

The end of 2020 saw a worldwide vaccine roll-out, and relaxed lockdown restrictions, kick-starting the revival of the global economy. Prior to that, governments and central banks, in most countries, worked together to shore up the economy through major fiscal stimuli that amounted to close to 14% of the world output in 2020.

The effect of the pandemic on the economy, however, was not uniform. While the major economies were the most severely impacted, countries such as China saw early recovery from the pandemic and actually recorded a y-o-y growth in the GDP quantum, pulling back the global economy from further downside. International trade in goods has shown sharp recoveries and merchandise trade volumes have returned to pre-pandemic levels. However, cross-border trade in services remains subdued.

Outlook

After a major setback in 2020 driven by the pandemic, the global economy is expected to return to a growth-driven mindset, by accelerated vaccination in several countries as well as fiscal

support across major economies amounting to US\$ 12 trillion as rate cuts, liquidity injections and asset purchases by various banks. These are expected to help the global economy register a positive output growth of 6% in 2021 followed by 4.4% in 2022. There are instances of surging infections in some countries, slowing down the pace of recovery. (Source: World Economic Outlook – April, 2021, World Bank, World Economic Situations and Prospects 2021)

INDIAN ECONOMIC OVERVIEW

The year under review, characterised by volatility and instability on account of the COVID-19 pandemic, was perhaps the most challenging one in recent history.

The Indian economy, like all other economies, was also affected by the unprecedented crisis, recording a de-growth of 8% during FY 2020-21, against a growth rate of 4.2% in the previous year. The economy contracted by 23.9% and 7.5% in the first two quarters, before showing green shoots of recovery in the third quarter with a growth of 0.4%. India's real gross domestic product (GDP) at current prices stood at ₹ 195.86 lakh crore (US\$ 2.71 trillion) in FY21, as per the second advance estimates (SAE) for 2020-21.

The sharp economic slowdown and surge in inflation resulted in the Indian rupee emerging as one of the worst performers among its Asian peers, depreciating by 2.83% in 2020 from ₹ 71.28 to ₹ 73.30. Consumer sentiment remained muted due to unfavourable macro-economic factors such as the increasing unemployment rate and reduced per capita income. The unemployment rate increased to ~26.2% and per capita income is projected to have declined by ~5.4% to reach ~₹ 1.27 lakh in FY 2020-21.

Despite the economic uncertainties, foreign direct investment (FDI) in

Region-wise growth estimates (%)

Region	FY19	FY20 (P)	FY21 (P)
World	2.8	-3.3	6
Advanced Market Economies (AMEs)	1.6	-4.7	5.1
Emerging Markets and Developing Economies (EMDEs)	3.6	-2.2	6.7
Association of South East Asian Nations (ASEAN)	4.8	-3.4	4.9
US	2.2	-3.5	6.4
Euro Area	1.3	-6.6	4.4
UK	1.4	-9.9	5.3
China	5.8	2.3	8.4
Japan	0.3	-4.8	3.3
Russia	2.0	-3.1	3.8

(Source: IMF)

India increased by ~13% to reach a value of US\$ 57 billion in 2020; this increase could be attributed largely to the growth of the digital sector. India also became the biggest recipient of foreign portfolio investments worth ~₹ 2.74 lakh crore in FY 2020-21.

The Prime Minister of India announced stimulus packages worth ₹ 20 lakh crore to start with, and then a comprehensive financial package of ₹ 2.65 trillion to ensure that the country is able to withstand the challenges induced by the pandemic. India showed signs of a V-shaped recovery owing to the culmination of various factors such as consistent agricultural performance, increased government spending, the introduction of the Production-linked Incentive (PLI) scheme, pent-up demand, the roll-out of vaccines amid the flattening of the COVID-19 infection curve in the second half of the financial year under review. However, a surge of infections in the fourth quarter has cast a shadow on the pace of economic recovery. (Source: Economic Time, Business Standard, Live Mint)

The Government of India intervened in a timely manner to cushion the economy from the shock. Several measures like Atmanirbhar Yojana, emergency credit line for the MSME sector, additional allocation towards PMAY and extension of credit-linked subsidy scheme for home buyers helped in recovering demand. Besides, the RBI announced loan moratorium to ease the burdens of borrowers and reduced interest rates to drive economic growth.

India's foreign exchange reserves stood at US\$ 582.04 billion, as of 12 March 2021, according to data from RBI.

Growth drivers

Young population: India is the world's youngest country in terms of demographic dividend. By 2022, the median age in India will be 28 years against 37 in China and the US, 45 in western Europe, and 49 in Japan. India's working-age population has outnumbered its non-working age population.

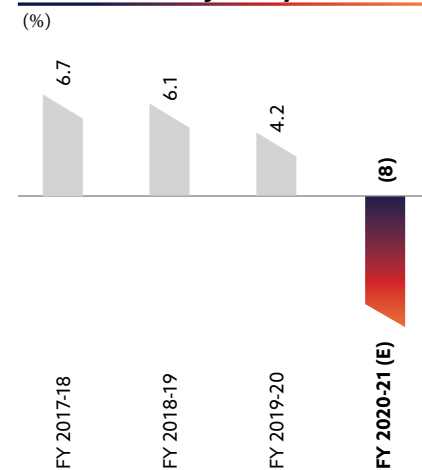
Rapid pace of urbanisation: Higher economic aspirations is set to accelerate the pace of urbanisation as the Indian economy regains its momentum. The urbanisation trend is two-pronged – mass migration from rural to urban hubs, and rural habitations evolving into semi-urban and urban habitations. The World Bank estimates that about 50% of the Indian population would be residing in urban areas by 2041. Urbanisation is expected to be one of the key drivers of consumption in the country.

Internet penetration: Digital proliferation is one of the key growth drivers of the country. India has close to 624 million internet users. New digital ecosystems are reshaping consumer-producer interactions in agriculture, healthcare, retail, logistics and other sectors and a digitally empowered consumer will drive consumption patterns.

Burgeoning consumption market: A BCG report predicts that India's consumption market is expected to triple by 2030, driven by urbanisation, higher disposable incomes, and nuclear families.

Government initiatives: The government has initiated various campaigns to drive the growth of the Indian economy such as Make in India, Digital India as well as Atma Nirbhar Bharat among others.

India's GDP trajectory



(Source: IMF)

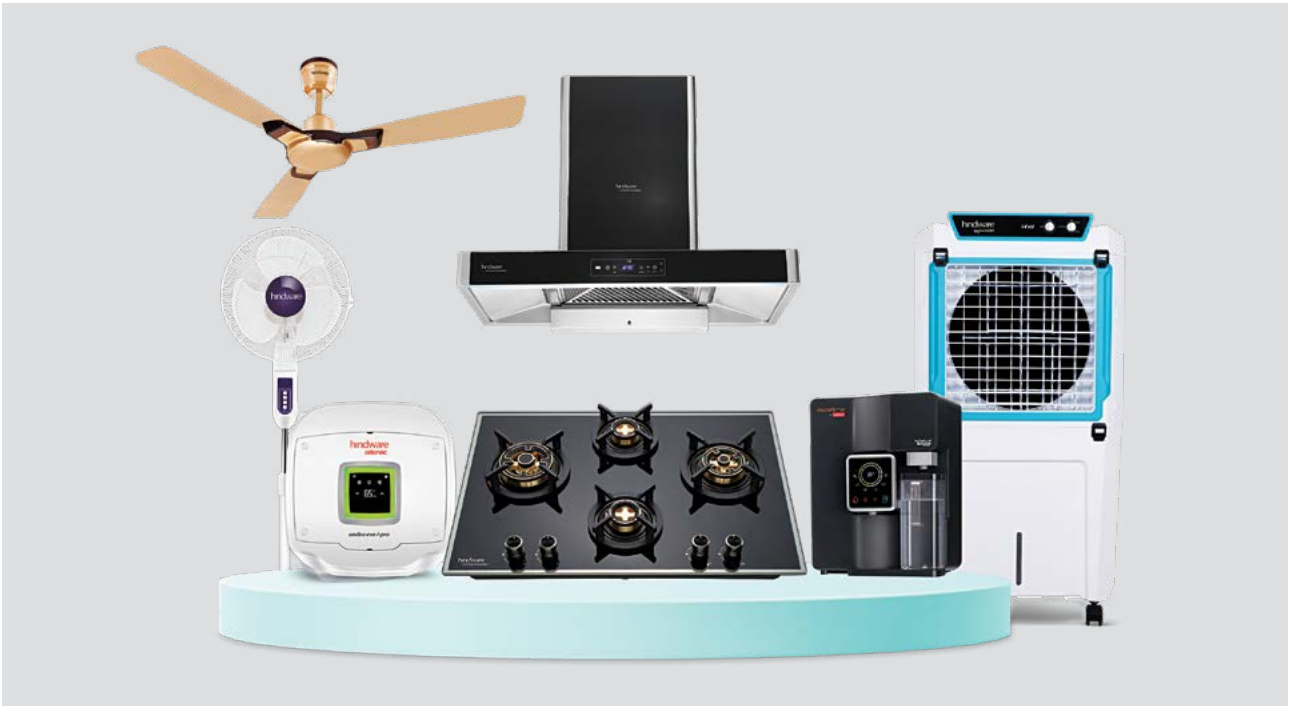
Outlook

Lockdown restrictions had been gradually lifted from June 2020, following which India experienced a pick-up in demand. However, the second wave of the virus towards the end of FY 2020-21 and partial lockdowns across states are impeding a faster recovery. Despite the surge in COVID-19 cases across the country, the International Monetary Fund (IMF) has raised its growth forecast for the Indian economy to 12.5% for FY 2021-22 and 6.9% for FY 2022-23 in its latest report.

This optimism is being driven by India's focus on normalising economic activities, coupled with the quick roll-out of the vaccine. The approval of PLI schemes for 10 major sectors will also help India attract investments, catalysing its position as the fastest-growing emerging market. Besides these factors, favourable young demography, and steady urbanisation are projected to drive India's growth story in the foreseeable future. (Source: Bloomberg, IMF)

Management Discussion and Analysis

CONSUMER APPLIANCE BUSINESS



INDUSTRY OVERVIEW

The outbreak of the coronavirus and the resulting economic downturn has reshaped the business landscape for most industries in India. Even consumer durables which had been growing at a steady rate for the last decade is projected to have de-grown by ~12-15% in FY 2020-21 over the previous year. This de-growth could be attributed to the uncertainty revolving around the containment of the virus and the muted consumer sentiment. Despite these realities, the prospects are bright for the consumer durables market; it is projected to receive cumulative foreign exchange inflows of US\$ 75 billion and investments of >US\$ 1 billion by 2025, mainly due to the increasing population, expanding middle class and immense growth opportunities prevalent in the rural markets.

The Indian appliances and electronics market enjoys enormous growth prospects in the consumer durables industry. Its value was pegged at US\$ 10.93 billion in 2019, and is projected to reach an estimated value of US\$ 21.18 billion by 2025. This sector is under-penetrated and possesses untapped opportunities in appliances such as air-conditioners, refrigerators, water and air purifiers, kitchen chimneys and water heaters, among others. The government's constant infrastructure push, which is bridging the urban-rural divide, is creating a wider market for these goods. The government's emphasis on rural electrification is bound to catalyse rural demand for home appliances in the foreseeable future. As digital access becomes increasingly affordable, growing aspirations, shift in lifestyle patterns

and awareness of affordable, high-quality, technologically advanced products will open up new opportunities for the sector. Already, the government's ambitious Digital India project is boosting the adoption of e-commerce in remote corners of the country, thereby extending the overall retail opportunity for white goods (India's internet penetration has increased from ~7.5% in 2010 to ~50% in 2020). Higher financial inclusion through mobile services would further boost sales. Rising incomes, high-speed connectivity and technological advancements are expanding choices for consumers and creating enormous potential for the growth of this sector. (Source: PWC report)

GROWTH DRIVERS

Rapid urbanisation boosting urban population: Along with increasing population, India's urbanisation rate is also increasing at a fast pace. As per the United Nations Development Programme, the top eight cities in India are projected to have a population base of over 10 million by 2035, and approximately 50% of India's population is projected to be urban by 2046. Rapid urbanisation in India is expected to drive the demand for consumer durables in the medium to long term.

India's demographic dividend:

The proportion of the working-age population in India is expected to increase to 65% in 2036 from 61% in 2011, with 12 million people being added to the working-age population each year.

Nuclearisation of families: India witnessed a significant reduction in overall household size in the past few decades, primarily on account of an increase in nuclearisation of families. Increase in the number of households due to nuclearisation has resulted in a corresponding increase in demand for housing, which, in turn, has led to an increase in demand for consumer durables.

Growth in income level of

households: As per a report by the World Economic Forum, growth in household income is expected to transform India from the bottom of the pyramid economy to a middle-class economy. Approximately, 140 million households are expected to be added to the upper mid-income and lower mid-income bracket between 2018 and 2030.

Production-linked Incentives:

On November 11, 2020, the government approved the PLI scheme in 10 key sectors (including electronics and white goods)

to boost India's manufacturing capabilities, exports and promote the Atmanirbhar Bharat initiative. In addition, projects such as Smart Cities and 'Digital India', coupled with the government's push for data localisation, market for the Internet of Things (IoT) in India, are expected to lead to a cumulative increase in demand for consumer durable appliances.

Innovating healthcare features within products:

The pandemic has led individuals to focus on their health and safety. Consumers are expected to be drawn to products that incorporate health-related functionalities. Products with features such as anti-bacterial filters, UV solutions that eliminate viruses, disinfectant properties, etc., have been gaining traction and this rise is expected to continue post COVID-19. White good brands have already started to include health-specific innovations within their products.

Rising need for automation:

In the 'new normal', demand for convenience-led product categories such as washing machines, microwaves, vacuum cleaners and dishwashers is likely to increase as people become self-reliant. Advanced technology is making these appliances, convenient and efficient to use. Demand for cooling and comfort products such as air conditioners, air coolers and air purifiers are also likely to grow as people continue to work from home. (Source: Times of India, IBEF, Financial Express)

BUSINESS REVIEW

Over the short span of our inception, we have emerged as a premium player in the consumer appliances sector. Our key offerings include kitchen appliances, sinks, air coolers, water purifiers, and ceiling and pedestal fans categories across different price points to cater to the evolving needs of the Indian

consumers. Our focus remains on innovation, superior design and functionality with an aim to make the everyday life of consumers comfortable.

We are known for our innovation, and this is reflected in the range of smart and connected products introduced to simplify the lives of new age customers and foster home automation. We are one of the few Indian companies to have the largest range of IoT appliances in our portfolio that includes smart water purifiers, water heaters, chimneys and air coolers. In line with the need of the hour, we have also introduced products which also address the health and hygiene concerns of our customers.

We widened our product portfolio by entering kitchen and furniture fittings business under the brand FGV Powered by Hindware™ that comprises MS slide-on, integrated soft close, corner pie and wide angle hinges, comfy ball bearing and excel bottom mounted drawer channels and ten, uniplus and unilux drawer system and aerolift liftups.

Prolific innovation is in our DNA. In FY 2020-21, we applied for seven new patents across various product categories in addition to the 21 patents applied for since our inception.

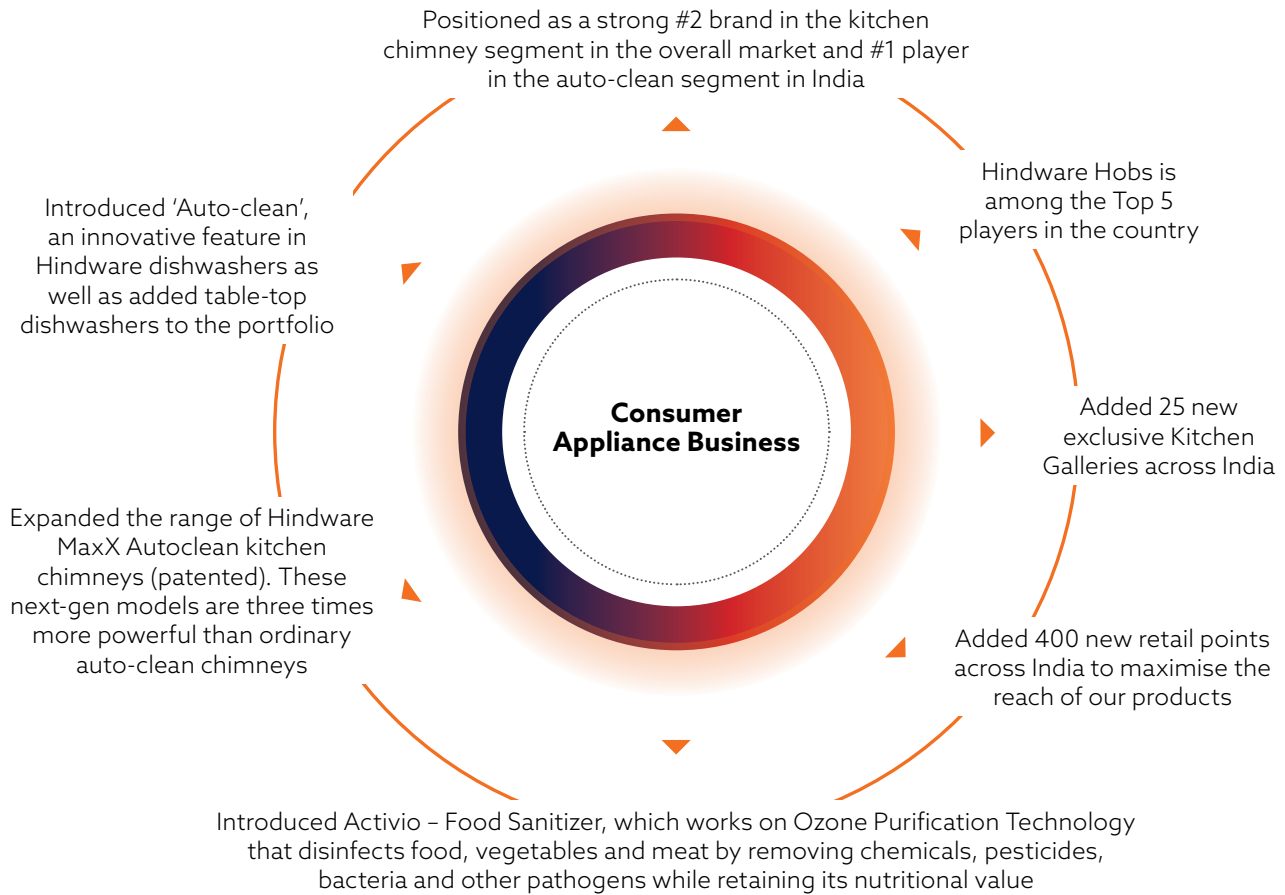
Backed by a strong omni-channel presence, we enjoy top-of-the-mind brand recall among our customers.

7

New patents were applied in FY 2020-21 across various product categories

Management Discussion and Analysis

FY 2020-21 IN REVIEW



Disinfectant generators

Keeping consumer's health and hygiene as top priority, we introduced Hindware Purge surface disinfectant generator. It creates a disinfectant solution using purified water in less than three minutes, which can be sprayed over different types of surfaces such as furniture, household appliances, keyboard, mouse, vehicles, fruits, and vegetables, utensils, etc. Purge is tested and certified by TUV-SUD South Asia Pvt. Ltd. for the effective removal of viruses up to 99%.

Air coolers (Hindware Snowcrest)

- ♦ Within a span of 3.5 years, Hindware Snowcrest is among the Top 5 brands with a market share of ~7% and in the Top 2 Brands in e-commerce with a share of more than 21% in desert coolers (Source: GFK Report Dec 2020)
- ♦ Introduced patent applied innovatively designed i-Fold Foldable Air Cooler
- ♦ Introduced Varycool technology (patent applied) in key model which helps us have a competitive advantage over other brands
- ♦ Introduced smart air cooler (IoT-enabled) Spectra iPro and Acura iPro under desert and personal air cooler segment, respectively

- ♦ Introduced the Premium brand Honeywell in Air Cooler segment with international quality products range in Desert, Personal and Tower Air Cooler

Ceiling fans (Hindware Snowcrest)

- ♦ Reached 2,500+ retail touch points across the country and crossed sales milestone of 3,00,000 units in the first operational year of business
- ♦ Launched 42 SKUs in the first year, providing a wide range across segments such as ceiling, table, pedestal and wall fans. Additionally, multiple launches are in the pipeline to further strengthen the line-up

Water purifiers (Hindware Appliances and Moonbow by Hindware)

- ♦ Launched the second IoT-enabled water purifier Elara iPro
- ♦ Introduced range of models with Advanced Copper+ Technology, pH Booster, etc.

Water heaters (Hindware Atlantic)

- ♦ Hindware Atlantic is now among the Top 5 Players with a market share of 7.3% overall and amongst the Top 3 brands on digital channels with a share of 12.3%. (Source: GFK Report Dec 2020)

- ♦ Introduced Evano and Cristallo Slim in horizontal storage segment and Fraiso with glassline tank in Instant segment strengthening the product portfolio

- ♦ Entered new category of Heat Pump water heaters with two variants – Calypso and Calypso VM. Both are IoT-enabled products and can be controlled through mobile apps and can also be connected to alternative power sources like solar panels, making them environmentally-responsible

Marketing campaigns

- ♦ Introduced MaxX Safe Technology with a TVC on Adonia Hob. The campaign highlighted the MaxX safe technology which prevents gas leakage in case the flame gets off while the knob is in the ON position
- ♦ Hindware Appliances released a new TVC campaign – 'Summers mein kare cold, winters mein ho jaaye fold' to support the launch of Hindware Snowcrest i-Fold, India's first foldable air cooler



Management Discussion and Analysis

ROAD AHEAD

In the new normal, consumers across the country are looking for products which are smart and helps in achieving convenience in routine tasks. This is driving the need for upgrading the home appliances which in turn is accelerating the demand for consumer appliances. As a company focused on innovation, we will continue to offer products that help fulfil these requirements. Our nation-wide presence, our investment in digital transformation, innovative automated products, make us

poised for robust growth. Our JV in the water heater segment gives us access to a range of products in the fast-growing consumer water and electrical heating segment and is expected to further strengthen our position in the market.

Our continued efforts in capturing product performance data to help us identify consumer usage trends, the parts performance over the period of time among others. This will accelerate the development of more consumer-centric products.

We are investing in further developing our IoT Platform '**Hindware Konnect**'. Currently, we have smart products under five different product segments, making us one of the first consumer appliance company with largest IoT-enabled appliances range. We will continue to launch IoT products and use our patented innovations as we move forward.



Hintastica Private Limited (HPL)

We formed a joint venture with France-based, world's leading heating solution company, Groupe Atlantic for manufacturing and marketing of water heaters in India. The JV will leverage Groupe Atlantic's expertise in manufacturing, technology and assembly as well as SHIL's strengths in

marketing and distribution to deliver a range of best-in-class products and accessories to consumers in India and in neighbouring countries in the SAARC region under the 'Hindware Altantic' brand.

HPL, the water heater business subsidiary, is setting up a state-of-the-art manufacturing plant in Telangana. The project is in line with the Government of India's 'Make in India' initiative and major

components will be made/ sourced from within India.

The plant with a production capacity of 6 lakh units annually, will be built on a plot of 5.7 acres and will be completed by FY 2022-23.

RETAIL DIVISION

INDUSTRY OVERVIEW

The global furniture market is estimated at a value of US\$ 1.1 trillion, with India only accounting for ~5%, which indicates the market potential. India furniture market was US\$ 17.77 Billion in 2020 and will rise to US\$ 37.72 Billion by the end of 2026, growing at a CAGR of 13.37% during 2020-2026. Close to 90% of the overall furniture market is dominated by unorganised players but the COVID-19 induced lockdown has forced many of them out of business, resulting in an increase in market share for the organised players.

The pandemic led to the emergence of the work from home furniture market, which was valued at US\$ 2.22 billion in FY 2020-21 and is projected to reach a market value of US\$ 3.49 billion FY 2025-26. This follows from the decision of many companies to opt for remote working, even prioritising work from home in the new-normal.

There have also been significant developments in the online furniture space. Even though it constitutes only ~3% of the organised furniture market, the segment is pegged to be one of the fastest-growing e-commerce segments in the country. With the increasing penetration of the internet and smartphones in the country, e-commerce in furniture can be expected to gain further traction in the foreseeable future. (Source: Statista, Globe News Wire, Business Today)

GROWTH DRIVERS

Millennial demand: India is a young country with a median age of 28 years. Millennials account for 34% of the country's total population and ~47% of the working population. Millennials are well-educated and better-connected with the world, increasingly using the internet as a shopping tool. Armed with higher disposable incomes, they spend a significant amount of their savings on home and lifestyle products.

Work from home: The pandemic has affected the way we live and work in multiple ways. From shopping, socialising, learning, and working digitally to surviving indoors for months, the pandemic has made us realign our lives, our priorities, and our homes. As millions across the country get used to working from home, the need for comfortable and functional 'work from home' furniture is growing in demand.

Rise in online shopping: According to the management consultancy firm Redseer, the furniture industry in India is currently pegged at US\$ 17 billion in size. The online furniture segment is growing at a CAGR of 80-85%, potentially making it one of the major growth drivers for the industry. (Source: Business Today, Economic Times)

BUSINESS REVIEW

In the Retail business, we offer specialty home interior products through modern format stores and digital platforms under the brand 'EVOK by hindware'. We have a strong online presence through www.evok.in, operated by the Company's wholly owned subsidiary, Hindware Home Retail Pvt. Ltd. We are also present on prominent multi-brand furniture marketplaces, such as Pepperfry, Urban Ladder, Flipkart and Amazon.

We decided to shut down our 8 out of 10 owned large format stores to focus on franchise-based large format store and online portal model. This has helped the business turn EBIT positive from Q3 FY21 onwards.

We now have two company-owned display and sales stores located at Delhi and Faridabad. We also have a strong and dedicated network of 20 franchise stores across the country.

Our products reflect the artistic and functional sensibilities that fit today's consumer's tastes and lifestyles. EVOK has developed itself as one of the favourite destinations for solid and engineered wood furniture by leveraging the company's core strengths - understanding varied consumer and trade behaviour, retail distribution network, brand equity, global sourcing, and cost-effective supply chain management.

FY 2020-21 IN REVIEW

- ◆ Witnessed substantial increase in users at evok.in
- ◆ Reported robust growth in franchise business and in e-commerce business
- ◆ Increased the franchise network to 20 stores during the year
- ◆ 2,500+ range of product
- ◆ Now serving (delivery and installation) at 14,000+ pin codes pan-India

ROAD AHEAD

We are focused on lowering overheads and improving profitability to transform the business and be profitable. We are recalibrating our sourcing strategy to provide a range of furnishing products that cater to the changing consumer landscape.

Management Discussion and Analysis

BUILDING PRODUCTS BUSINESS



INDUSTRY OVERVIEW

Sanitaryware

The Indian sanitaryware market was pegged at ₹ 4,800 crore in 2020 and despite the muted consumer sentiment over the past few years, there is significant headroom for growth. Even though the replacement demand is negligible compared to other countries, it is compensated by the tremendous growth potential in the entry-level segment. Rapid economic growth along with higher purchasing power among consumers is supporting the growth of premium and luxury sanitaryware products. Consumers

now invest in high and premium sanitaryware products and hence players in the industry are focusing more on design and technological aspects.

The Indian sanitaryware market is projected to grow at a CAGR of 7.38% between 2021-2027. The Government of India's Housing for All and Swachh Bharat Abhiyan, coupled with the increasing awareness on cleanliness, health and hygiene among the populace will be the major catalysts of growth for the market. (Source: Blue Weave Consulting)

Faucets

The faucets market in India is valued at ~₹ 9,000 crore. The industry's growth was muted owing to COVID-19 but is expected to scale and outpace the sanitaryware industry growth over the next few years. The key growth drivers of the industry include favourable government policies, growing urbanisation, increase in nuclearisation and better living standards.

Rising property market volume is also improving the sale of faucet products across the

country over the years. Both new buildings as well as renovated ones are responsible for this growth. Burgeoning middle-class population is demanding high-end premium faucets due to shift in lifestyle patterns.

Premium tiles

The Indian tiles market is at an inflection point as the result of the culmination of various factors like the increased market share of organised players, better demand visibility and improving operational performance. The Indian premium tiles market is estimated to be worth ~₹ 10,000 crore. The industry is majorly dominated by ceramic and floor polished vitrified and glazed vitrified tiles.

The demand for premium tiles is estimated to increase exponentially driven by increased public spending and infrastructure, among others. Besides this, changing consumer preferences and improving lifestyle choices will also drive demand.

The market is expected to be driven by large format tiles in coming years. Besides, there has been a growing demand for products with bacteria/virus resistant properties in the post-pandemic period. Ease of replacement and installation are some major characteristics of ceramic tiles, which makes them ideal for flooring. Additionally, increase in remodeling activities is estimated to boost the product demand in residential segment. (Source: Economic Times)

Plastic Pipes and Fittings

The domestic PVC pipes and fittings market is valued at ~₹ 315 billion with organised players accounting for approximately 60% of the market. PVC pipes have found preference due to their lightweight nature, ease of application, and potential to facilitate better flow of water compared to pipes made from GI or Cement. The growing purchasing

capacity and increasing tendency of using modern technology in water supply and sewerage system have fuelled the demand for plastic pipes and fitting. Widespread urbanisation is another key reason for the growth. The superior quality of plastic pipes, coupled with lower costs, have enabled India to solidify its market position and exponentially increase its exports to the US, Europe, Nigeria, the United Arab Emirates (UAE), Thailand and Indonesia.

MAIN APPLICATION/USAGE OF PVC PIPES

CPVC and UPVC pipes are extensively used for plumbing. While CPVC pipes are used for hot and cold water applications, the UPVC is widely used for cold water and industrial usages. Apart from the regular PVC pipes being largely used for irrigation purpose, the Soil, Waste and Rainwater discharge (SWR) is also a significant usage.

The contribution of PVC pipes in Bore-Well application and the Underground Drainage system (UGD) is catching up fast.



The government's focus on the development of agriculture and infrastructure sectors will be the major catalysts driving the demand for PVC pipes and fittings. This, coupled with favourable policies and initiatives such as the Smart City Mission, Pradhan Mantri Krishi Sinchai Yojana (PMKSY), Farmer's Bill 2020 and Atal Mission For Rejuvenation And Urban Transformation (AMRUT), are projected to drive demand. (Source: Globe News Wire)

~85%
Households in India
do not have access to
piped water



Management Discussion and Analysis

GROWTH DRIVERS

Real estate: The need to own a home to avoid the uncertainties of living in a rented accommodation was reinforced during the pandemic. There is also a renewed interest from investors and from Non-Resident Indians (NRIs) impacted by economic uncertainties in Europe and the Middle East, which is driving real estate demand in India.

Home layouts may be altered:

The change in consumer tastes and preferences is leading to innovative home layouts that will drive demand for this segment.

Affordable housing: Driven by the government's extended interest subvention scheme and softer interest rates, the affordable housing sector is witnessing strong growth across the country. This is, in turn, driving demand for building products.

Increasing demand from the Tier 2 and 3 cities:

A recently launched Virtual Residential Demand Index, compiled by an online aggregator, pointed out that the demand from small cities had been increasing steadily but saw a significant spike after the lockdown eased. Reverse migration of the corporate workforce and increased flexibility due to remote working is boosting residential and rental demand in these 'shadow cities'.

Infrastructure push: The Budget 2021-22 saw an allocation of ₹ 50,000 crore for the Jal Jeevan Mission, which aims to provide tap water connections to 2.86 crore households in urban areas. The Smart Cities Mission witnessed an increase in the budgetary allocation, from ₹ 3,400 crore in FY 2020-21 to ₹ 6,450 crore in FY 2021-22. The AMRUT scheme, which aims at ensuring robust sewage networks, water supply and other

infrastructure to improve the quality of life in urban areas, has been allocated ₹ 7,300 crore.

AMRUT: Under the AMRUT initiative, basic civic amenities like water supply, sewerage, urban transport, parks to be developed to improve the quality of life. It has been allocated ₹ 77,640 crore in the Budget 2021-22.

The Smart Cities Mission:

The programme launched by the Government of India aims at local area development by harnessing technology and has been allocated ₹ 6,450 crore in Budget 2021-22

BUSINESS REVIEW

The Building Products Business comprises our flagship business of sanitaryware, faucets, wellness products, plastic pipes and fittings, and premium and super-premium tiles business.

Today we are the leading player in the sanitaryware segment and among the top two players in the faucet segment in India owing to our innovative and attractive product offerings. Our wide product range across diverse price points cater to the requirements of different consumer segments. With a strong network of distributors and dealers, our products are available across key cities and towns in India.

Our Pipes business under the brand Truflo by Hindware offer best-in-class, NSF International-certified (NSF pw 14), chlorinated polyvinyl chloride (CPVC) pipes for hot and cold water plumbing applications, along with lead-free unplasticised polyvinyl chloride (UPVC) pipes, SWR pipes and PVC pipes for potable water. We use NSF certified CPVC compound, Durastream, supplied by the renowned Japanese conglomerate, Sekisui Chemical

Co. Ltd, to help us provide premium quality CPVC plumbing solutions for varied market requirements. We have recently launched column pipes overhead water storage tanks.

In the tiles segment, we operate in the premium and super-premium category and offer an aspirational range to the discerning consumer. Neom designs are inspired by the amazing beauty that surrounds us. The Neom portfolio features 'always-in-vogue' marble stone patterns such as Onyx, Carrara, Calacatta and Satvario. It is the first brand to introduce super-slim tiles of 5 mm thickness, in the glazer vitrified category and offers an enviable range of large format slabs for spaces to exude grandness.



FY 2020-21 IN REVIEW

Sanitaryware and Faucets

<p>Expanded product offering to include 45+ new sanitaryware and 120+ new faucet SKUs, including innovative products such as tankless water closet and contactless sensor faucets amongst others</p>	<p>Introduced a range of contactless sensor faucets which encourage minimal contact with surfaces. Integrated with infrared sensor technology, the contact-free faucets activate water flow ensuring maximum hygiene</p>	<p>Launched industry-first the Hindware tankless wall mounted EWC which has a flush system with no cistern, to ensure the dual-pronged benefits of intelligent space utilisation and hassle-free installation without any wall breakage.</p>	<p>Created a separate institutional vertical which helped strengthen our engagement with architects.</p>
<p>Launched an integrated brand campaign, first-of-its-kind in the category, 'Thoughtful is beautiful' for the brand Hindware Italian Collection to shift the conversation from pure looks to the perfect combination of looks and innovative features, a hallmark of the brand</p>	<p>Conducted a large-scale social campaign for contactless public handwashing booths with the message - 'Saaf Raho, Safe Raho' - in key locations across cities, in high density and heavy footfall areas</p>	<p>Launched 'Build a Toilet, Build Her Future' social initiative under 'Hygiene that Empowers' concept. Under this initiative, we undertook construction of toilets and will continue this journey by tying up with many more schools across the country in partnership with a non-profit organisation committed to creating awareness and promote girl education</p>	

Plastic Pipes and Fittings

<p>Added New SKUs taking the total number to 1,100+</p>	<p>Connected with 70,000+ Plumbers through formal and informal exchange including PMKVY - RPL (skill development) certification program</p>	<p>Started exports to few key ASEAN and Middle East Countries</p>
<p>Conducted virtual distributors' meet during the year and launched products virtually across locations</p>	<p>210+ active distributors across the country</p>	<p>New launches</p> <ul style="list-style-type: none"> ◆ Column Pipes for Borewell Applications ◆ Underground drainage pipes ◆ Overhead Water Storage Tank

Premium and super premium tiles

<p>Entered new markets to export in Australia, Bangladesh and China</p>	<p>Around 160+ new dealers were added to the distribution network while expanded to over 127 towns across India covering all metros and Tier-1 cities</p>	<p>Reached a total count of 200+ stores with six brand shops and 30 shop-in-shops</p>
<p>Connected with over 2,000+ architects across the country</p>	<p>Increased focus on project business, and this helped in acquisition of various new projects including, Ansal City and TDI in Panipat, Artech Apartments and Lulu Mall in Kerala, Arcadia Hotel in Kottayam and residential projects in Danapur, Bihar</p>	<p>Launched over 80 new SKUs in GVT, Full Body and Wall Tiles</p>

Management Discussion and Analysis

ROAD AHEAD

Understanding consumers' evolving needs and market trends impacting these is critical. We have tailor-made our portfolio of brands according to consumption habits, local contexts and the growth potential across the country.

We are focused on expanding our presence in emerging cities and maintaining a strong position in the existing ones. Our innovative products have helped attract more customers and maintain market share over the decades. We are investing in product design and aesthetics while streamlining our dealer and distribution network and building effective marketing strategies.

Our extensive craftsmanship together with creativity, continuous technological innovation, foresight and commitment to a pioneering spirit will help in driving the business to newer heights.

DIVISION-WISE PERFORMANCE

Particulars	₹ in crore	
	FY 2019-20	FY 2020-21
Consumer Appliance Business		
Revenue from operations	361.58	454.69
EBIT	5.76	26.27
Retail*		
Revenue from operations	90.67	58.51
EBIT	(14.96)	(7.52)
Building Products		
Revenue from operations	1,160.88	1,261.96
EBIT	76.75	105.70

*Revenue decline on Y-o-Y basis primarily due to closure of unfeasible owned physical stores.



HUMAN CAPITAL AT SHIL



At SHIL, we believe that our employees are the drivers of our long-term growth. To fulfill our purpose and deliver our strategy, we have aligned our initiatives to inspire employees. We continue to focus on creating a work environment that encourages equality and diversity and help employees achieve their aspirations.

The unprecedented disruption caused by the COVID-19 pandemic during the year required us to provide an enabling, supportive and safe environment for our employees. As part of a critical factor of the business continuity plan, we prioritised the health and well-being of our people while keeping them engaged, connected and well-informed. We moved with speed to implement remote working for employees able to work from home and provided them with the required support and tools.

We believe in creating an empowered culture, which aligns the organisational goals with that of the personal goal of each employee and helps them grow both professionally and personally. We have designed our training and development programmes to strengthen leadership capabilities and create a pipeline of future leaders to take on key leadership roles.

As an organisation focused on ambitious growth plans, we are actively employing people to drive our growth strategy and introducing various learning platforms to hone the skill of existing employees. We are hiring a mix of new hires and experienced professionals to bring the best of industry-leading ideas and seasoned learnings. We provide our employees with cross-functional exposure to strengthen their skillset and create leaders of the future for suitable roles. We have also started a sea-bell program for high performers.

The collective knowledge of our people will help us build a strong foundation for the business. Apart from undertaking various initiatives that help our people learn from each other and develop their true potential, we provide a work environment that is fair and inclusive, providing equal opportunity.

We are revamping the HR process and bringing in increased elements of automation. We have implemented Concord during the year and brought a structured performance appraisal system. We are taking steps to make SHIL a preferred employer of choice in the coming years.

We have 380 permanent employees as on 31 March 2021.

Managing risks at SHIL

Risks and uncertainties loom large over any business and it is imperative to monitor, analyse and counter these for business sustainability. We, at SHIL, have an institutionalised approach to risk management. Our Board continues to provide guidance and modify it annually to strengthen risk mapping and the consequent mitigation measures.

RISK MANAGEMENT OVERVIEW

We have an Audit Committee under the supervision of the Board and is responsible for monitoring the effectiveness of our risk management process, including the identification of emerging risks.

Key dimensions

- ♦ Risks are continuously identified, measured and reported against a set criteria considering the likelihood of occurrence and potential impact to the Company.
- ♦ In compiling the Company's risk profile, an assessment is made of changes in the external environment, strategy, core operations and engagement with internal/external stakeholders.

This also includes consideration of emerging risks.

- ♦ The output from the above process is subject to periodic review by the Audit Committee ahead of final review and approval by the Board.
- ♦ The Directors' assessment of the long-term viability of the Company is also reviewed annually, mindful of the principal risks faced.

PRINCIPAL RISKS AND MITIGATION

Our risk management framework revolves around three key risk categories: external risks, financial risks, and operational risks, which are related to internal activities like operations and internal controls.

External risks

Nature	Impact	Mitigation
Economic, political and market risk	Macroeconomic volatility, disruptions in global markets forces and geopolitical events could affect the performance of the Company	We have diversified our business into different segments to ensure that we are not overtly dependent on any one sector, thereby safeguarding us from any macroeconomic or sectoral downturn
Competition risk	Increasing competition in our industry may affect competitive pricing and lead to price erosion, thereby having an adverse effect on the profitability of the Company	We constantly monitor and analyse our industry scenario and take appropriate measures to sustain our competitive advantage. Besides this, we leverage our brand value, innovative products and wide distribution network retain our loyal customer base. We have invested heavily in research and innovation, helping launch innovative products and stay ahead of our competitors
Consumer risk	Inability to adapt to the changing consumers preferences or over-dependence on any one consumer demography could affect the profitability of the Company	We have strategically broad-based our business and have longstanding relationships with customers spanning across various consumer profiles. Our products are designed to solve the problems of modern day, helping achieve strong traction from our customers

Financial risks

Nature	Impact	Mitigation
Credit profile	Unavailability of short and long-term working capital at a reasonable interest rate could affect our ability to meet the liquidity requirement and could adversely affect our operations	We continually focus on improving our working capital requirements through optimisation of inventory and receivables cycle and extension of our payables cycle. Besides this, we are undertaking initiatives to ensure that short term and long-term debt are readily available to the Company at competitive costs and increase the maturity of fresh debts
Currency risk	Volatility in foreign currency could result in increased expenditure on procurement and import	To reduce our exposure to fluctuation, we invest in derivative instruments like forward and options contracts in order to hedge our foreign exchange position in accordance with board approved policy

Managing risks at SHIL

Nature	Impact	Mitigation
Credit rating risk	Downgrade in the credit ratings could affect our ability to raise additional financing, along with impacting the interest rates and other commercial terms at which such additional instruments are available	We ensure that we service debt obligations timely and have a good track record with the banks. We engage with the lenders and rating agencies, which has helped us to build confidence in the Company performance
Legal risk	Non-compliance by the Company or by the third parties with laws and regulations could result in significant damage to the brand and cause financial repercussions	We have a strict governance framework in place and adhere to the highest standards of corporate governance, business ethics and anti-corruption. Besides this, we actively engage with governments, administrations and regulatory bodies to ensure transparency regarding our policies and decision-making processes
Operational risks		
Nature	Impact	Mitigation
Business continuity risk	Major incidents or catastrophic events like the pandemic at hand, could impact our everyday operations and have a domino effect on our performance	After carefully analysing the market scenario, our senior management undertook several initiatives to reduce the impact of the pandemic. We are monitoring the second wave of the virus and calibrating our response to the evolving situation
Product quality risk	Inability to manage quality of our products throughout the supply chain could have a material impact on our long-term growth	We have stringent quality measures in place and have appointed several quality specialists to ensure adherence to these policies. These have helped as among the top five players in various categories where we are present
Technology risk	Inability to upgrade to the latest technologies could affect the efficiency of the Company	We continuously review global technological advancements and make extensive investments in this field to ensure that our technologies are up-to-date with the global benchmarks. We ensure that our IT development roadmap is integrated into the overall business operating plan. We have forged partnership with global leaders to introduce new cutting-edge products in India
Supply chain risk	Over-dependence on certain suppliers could affect the availability of raw materials	Over the year, we have built formidable relationships with our suppliers and vendors. We work closely with them to ensure supply stability and product quality to maintain business continuity
Employee risk	Inability to attract, retain and develop the right people and skills can jeopardise the delivery of our strategy	We have created a dynamic and inclusive culture where all employees feel engaged, motivated and empowered, across every part of the organisation
Operating efficiency	Inability to make optimal use of the logistics network, stores and support units could affect the profitability of the Company	We monitor and analyse the performance of our logistics network and undertake initiatives to improve, automate and review processes on a frequent basis. We are also moving to franchise store model from own store model and ensure operational efficiency across all our retail formats
Distribution risk	Changing purchase habits of the consumers could put our distribution network under risk, thereby affecting profitability	We are diversifying our channels and ramping up our play in the digital space. We enjoy strong presence on the online marketplaces for various products
Brand legacy	As our consumers continue to engage with the brand through electronic, print and social media, misleading perceptions of the Company could potentially lead to a slowdown in sales.	We continuously strive towards protecting the strong brand equity we have created over the years. We utilise both conventional and digital channels to reach a wider consumer base and effectively communicate our brand message
Cyber security	The threat of cyber-attacks may impact our operations	We proactively invest in IT systems to proactively monitor, identify cyber threats and take timely measures to safeguard the system, while protecting organisational data

INTERNAL CONTROLS

The Company is committed to ensuring an effective internal control environment that provides, inter alia, assurance on the orderly and efficient conduct of operations, security of assets, prevention and detection of frauds and errors, accurate and timely completion of accounting records and timely preparation of reliable financial information. Our internal control systems have accordingly been designed to reflect our concomitance with the principle of governance.

The Audit Committee of the Board of Directors, comprising Independent Directors, reviews the effectiveness of the internal control systems across the Company, including the annual plan, significant audit findings, adequacy of internal controls and compliance with accounting policies and regulations.

INTERNAL FINANCIAL CONTROLS

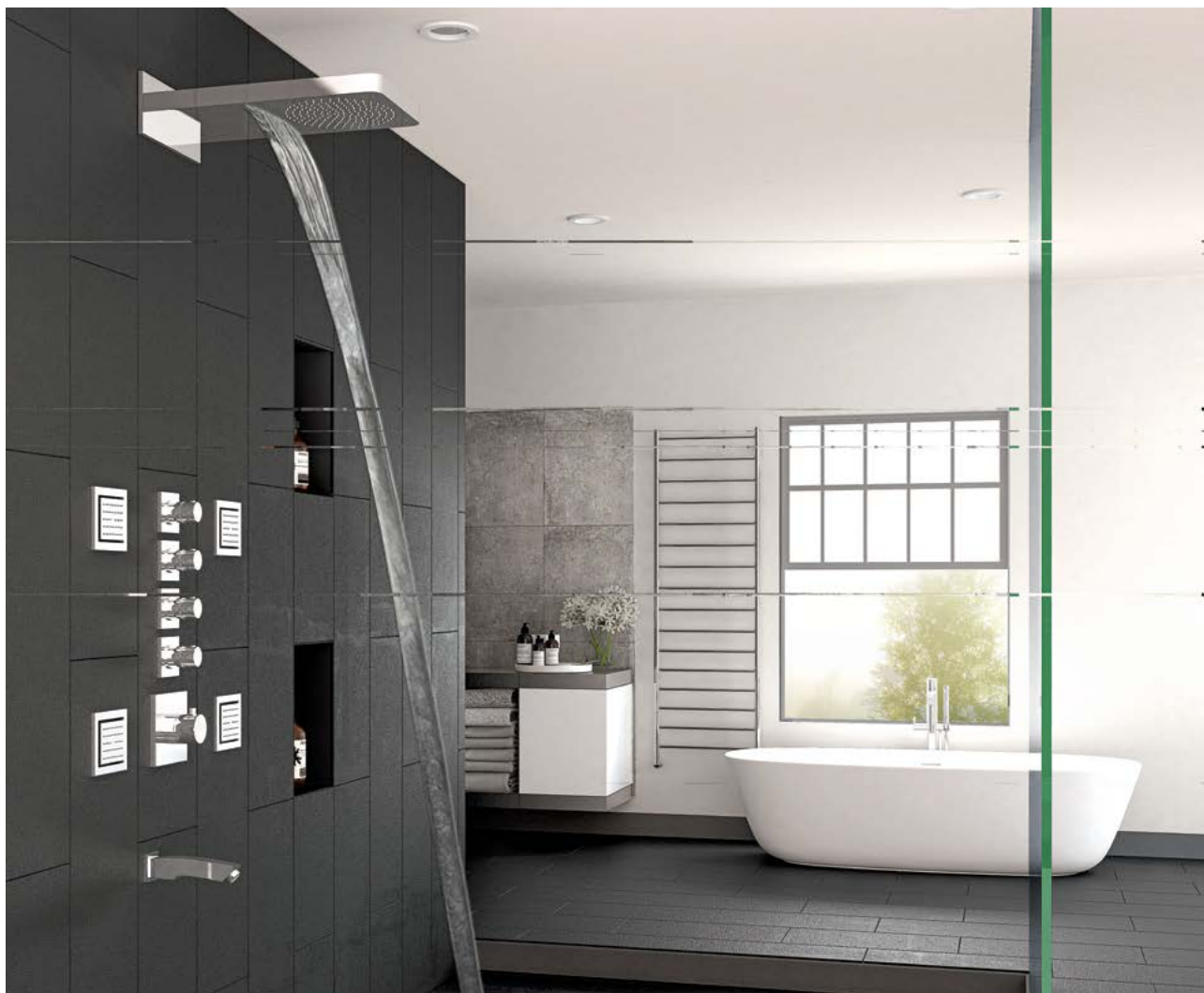
The Company's internal control framework has been designed in line with best practices applicable to organisations of a similar size, nature and complexity. This framework is tested from time to time for necessary improvement.

RISK MANAGEMENT

The Company has a robust risk management framework which identifies and assesses strategic, operational, financial and compliance risks and monitors the effectiveness and efficiency of risk mitigation and control measures. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis describing the Company's objectives and predictions may be forward looking statements within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and government policies that may impact the Company's business as well as its ability to implement the strategies it devises for the future. The Company does not undertake the responsibility to update these statements.



Change in Key Financial Ratios

Details of significant changes in key financial ratios, along with detailed explanations therefore, including:

Particulars	Standalone			Consolidated		
	2019-20	2020-21	Change over previous year %	2019-20	2020-21	Change over previous year %
(i) Debtors Turnover (days)	95	116	22%	82	85	4%
1. Trade Receivables / Sales*365						
2. Trade Receivables includes the amount of Goods & Service Tax.						
(ii) Inventory Turnover (days)	109	84	(23%)	71	59	(17%)
Inventories / Sales*365						
(iii) Interest Coverage Ratio (times)	2.86	2.12	(26%)	3.38	5.47	62%
EBITDA / Finance cost						
Reason for changes in Interest Coverage ratio:	Reduced due to decrease in other income resulting into decrease in EBITDA			Improved due to increase in EBITDA		
(iv) Current Ratio (times)	1.11	1.25	13%	1.31	1.42	8%
Total Current assets / Total current liabilities (including Short Term borrowings and Current maturities of long term borrowings)						
(v) Total Debts to Equity Ratio (times)	1.53	1.12	(27%)	1.30	0.67	(48%)
(Non-current borrowings including Current maturities of long term borrowings + Current Borrowings + Trade Deposits) / Net worth*)						
* Net worth = Equity Share Capital + Securities premium account + Capital reserve + General reserve + Retained earnings + Actuarial gain / (loss)						
Reason for changes in Total Debts to Equity Ratio:	Improved due to decrease in Total debts and increase in Net worth			Improved due to decrease in Total debts and increase in Net worth		
(vi) Operating Profit Margin (%)	8.35	6.37	(24%)	7.05	9.24	31%
EBITDA / Sales						
Reason for changes in Operating Profit Margin:	Reduced due to decrease in other income resulting into decrease in EBITDA			Improved due to increase in EBITDA		
(vii) Net Profit Margin (%)	1.96	3.76	92%	1.45	3.14	117%
Profit for the year / Sales						
Reason for changes in Net Profit Margin:	Improved due to increase in Profit for the year			Improved due to increase in Profit for the year		
Note: We have incorporated the reasons for changes, wherever significant changes in key financial ratios are 25% or more compared to the previous financial year.						
Details of any change in Return on Net Worth						
Return on Net Worth (%)	9.65	17.10	77%	8.43	16.62	97%
Profit for the year / Net worth*						
* Net worth = Equity Share Capital + Securities premium account + Capital reserve + General reserve + Retained earnings + Actuarial gain / (loss)						
Reason for changes in Return on Net Worth:	Improved due to increase in Profit for the year			Improved due to increase in Profit for the year		

Directors' Report

DEAR MEMBERS,

Your Directors are pleased to present the Fourth Annual Report and the Company's audited financial statements for the financial year ended 31 March 2021.

FINANCIAL RESULTS

The Company's financial performance for the year ended 31 March 2021 is summarised below:

(₹ in lakh)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from Operations	50,311.41	45,143.92	1,77,521.26	1,61,312.45
Add: Other Income	449.33	2,906.07	1,806.99	2,431.40
Total Income	50,760.74	48,049.99	1,79,328.25	1,63,743.85
Profit before tax	131.83	254.14	9,241.48	3,316.60
Add: Exceptional item	3,474.70	-	-	-
Profit before tax	3,606.53	254.14	9,241.48	3,316.60
Less: Tax expenses	1,741.97	(624.13)	3,757.20	1,005.67
Profit after tax (i)	1,864.56	878.27	5,484.28	2,310.93
Other Comprehensive Income (net of tax)	40.62	(5.70)	196.05	(37.78)
Total Comprehensive Income	1,905.18	872.57	5,680.33	2,273.15
Add: balance brought forward (ii)	3,183.00	2,304.73	16,164.95	14,367.90
Amount available for appropriation [(i)+(ii)]	5,047.56	3,183.00	21,649.23	16,678.83
APPROPRIATIONS:				
Dividend paid on equity shares	(108.44)	-	(108.44)	-
Tax on Dividend paid	-	-	-	(513.88)
Balance carried forward	4,939.12	3,183.00	21,540.79	16,164.95

OPERATIONAL REVIEW

On consolidated basis, revenue from operations for FY 2020-21 was ₹ 1,77,521.26 lakh as compared to ₹ 1,61,312.45 lakh in FY 2019-20. Earnings before interest, tax, depreciation and amortisation ("EBITDA") was ₹ 16,117.73 lakh as compared to EBITDA of ₹ 11,247.35 lakh in FY 2019-20. Profit after tax ("PAT") for the year was ₹ 5,484.28 lakh (FY 2019-20: ₹ 2,310.93 lakh).

A. Consumer Appliance Business (CAB)

The CAB revenue from operations stood at ₹ 45,469.47 lakh in FY 2020-21 as against ₹ 36,157.95 lakh in FY 2019-20 resulting in a growth of 25.8%. The business achieved ₹ 2,626.58 lakh as compared to previous year EBIT of ₹ 576.19 lakh on the back of an expanding consumer centric product portfolio driven by focus on innovation and R&D.

Kitchen appliances (Hindware Kitchen Ensemble) category reported a strong growth of 28% y-o-y driven by the following:

- ◆ Hindware is positioned as a strong # 2 brand in the kitchen chimney segment in the overall market and no. 1 player in the auto-clean segment in India
- ◆ Hindware Hobs is among the top 5 players in the country

- ◆ Added 25 new exclusive Kitchen Galleries across India
- ◆ Added 400 new retail points across India, resulting in better reach of our products
- ◆ Introduced Activio – Food Sanitiser, which works on Ozone Purification Technology that disinfects food, vegetables and meat by removing chemicals, pesticides, bacteria and other pathogens while retaining its nutritional value
- ◆ Introduced 'Auto-clean', an innovative feature in Hindware dishwashers as well as added table-top dishwashers to the portfolio

Air coolers (Hindware Snowcrest)

- ◆ Within a span of 3.5 years, Hindware Snowcrest is among the top 5 brands with a market share of ~7% and among the top 2 Brands on e-commerce with a share of more than 21% in the desert coolers (Source: GFK Report Dec 2020)
- ◆ Introduced patent applied innovatively designed i-Fold Foldable Air Cooler

Ceiling fan (Hindware Snowcrest)

- ◆ Reached 2,500+ retail touch points across the country and crossed sales milestone of 3,00,000 units in the first full year of business in FY 2020-21
- ◆ Launched 42 SKUs in the first year, offering a wide range across ceiling, table, pedestal and wall fans segment. Additionally, multiple launches are in the pipeline to further strengthen the line-up

Water purifiers (Hindware Appliances and Moonbow by Hindware)

- ◆ Launched the second IoT-enabled water purifier – Elara iPro

Water heaters (Hindware Atlantic)

- ◆ Hindware Atlantic is now among the top 5 players with a market share of 7.3% overall and amongst the top 3 brands in digital channels with a share of 12.3%. (Source: GFK Report Dec 2020)
- ◆ Forayed into a new category of Heat Pump water heaters with two variants Calypso & Calypso VM. Both are IoT-enabled products and can be controlled through mobile apps. They can also be connected to alternative power sources like solar panels, making them environmentally-responsible

B. Retail Business (Retail)

The Retail revenue from operations stood at ₹ 5,851.13 lakh in FY 2020-21 as compared to ₹ 9,067.00 lakh in FY 2019-20. The business has EBIT loss of ₹ 752.35 lakh as compared to previous year EBIT loss of ₹ 1,495.66 lakh. The retail business reported positive PBT for a second consecutive quarter from Q3 FY 2020-21 onwards, supported by the new strategy for this segment:

- ◆ Reported robust growth in franchise business and in e-commerce business.
- ◆ Increased the franchise network to 20 stores during the year

C. Building Products Business

The Building Products business revenue from operations stood at ₹ 1,26,196.01 lakh in FY 2020-21 as against ₹ 1,16,087.50 lakh in FY 2019-20. The business posted EBIT of ₹ 10,569.76 lakh as against EBIT of ₹ 7,675.48 lakh in FY 2019-20. Our Building Products division sustained its upwards trajectory on the back of the key initiatives undertaken by the division for the year which are as follows:

Sanitaryware and Faucets Business

- ◆ Expanded product offering to include 45+ new sanitaryware and 120+ new faucet SKUs, including innovative products such as tankless water closet and contactless sensor faucets amongst others
- ◆ Introduced a range of contactless sensor faucets which encourage minimal contact with surfaces

- ◆ Enhanced brand visibility by adding 55+ brand stores across the country
- ◆ Launched an integrated brand campaign, first-of-its-kind in the category, 'Thoughtful is beautiful' for the brand Hindware Italian Collection to shift the conversation from pure looks to the perfect combination of looks and innovative features, a hallmark of the brand
- ◆ Launched 'Virtual Expert Assistance' section on our website to help customers schedule their visits to nearest brand store as per their convenience
- ◆ Conducted a large scale social campaign for contactless public handwashing booths with the message – 'SAAF RAHO, SAFE RAHO' – in key locations across cities, in high density and heavy footfall areas
- ◆ Launched 'BUILD A TOILET, BUILD HER FUTURE' social initiative under 'Hygiene that Empowers' concept. Under this initiative, the Company undertook the construction of toilets and will continue this journey by tying up with many more schools across the country in partnership with a non-profit organisation committed to creating awareness and promote education for girls

Plastic pipes and fittings Business

- ◆ Added new SKUs taking the total number to 1100+
- ◆ Connected with 70,000+ plumbers vide formal & informal exchange that includes PMKVY - RPL (skill development) certification program
- ◆ Started exports to few key ASEAN and Middle East Countries
- ◆ Conducted virtual distributors' meet during the year and launched products virtually across locations
- ◆ 210+ active distributors across the country
- ◆ New launches
 - Column Pipes for Borewell Applications
 - Underground Drainage Pipes
 - Overhead Water Storage Tank

Premium and Super Premium Tiles Business

- ◆ Entered new markets to export in Australia, Bangladesh and China
- ◆ Reached a total count of 200+ stores with six brand shops and 30 shop-in-shop
- ◆ Connected with over 2,000+ architects across the country
- ◆ Around 160+ new dealers have been added to the dealer network in FY 20-21 while expanded to over 127 towns across India covering all metros and Tier-1 cities

MATERIAL CHANGES AND COMMITMENTS

The outbreak of the COVID-19 Pandemic and declared lockdowns caused global widespread economic disruptions leaving uncertainties with respect to severity & its impact on businesses, which currently cannot be reasonably ascertained.

The Company has up to the date of approval of financial statements evaluated and factored into the extent possible likely material events & circumstances arising from COVID-19 Pandemic and its impact on carrying value of its Assets and Liabilities as of 31 March 2021. Based on current indicators of future economic conditions, the Company expects to recover carrying amount of its Assets as of 31 March 2021. The impact of any future events & developments emerging out of COVID-19 Pandemic, if any, and occurring after the balance sheet date and relating to the Assets and Liabilities of the Company as of 31 March 2021 will be recognised prospectively.

Considering the Company's quality product portfolio, brand image, long-standing relationships & goodwill with its customers, suppliers & other stakeholders, the business operations, cash flows, future revenue, assets and liabilities will sustain going forward.

SLUMP SALE OF WATER HEATER BUSINESS UNDERTAKING

During the year under review, the members of the Company approved, vide postal ballot on 3 August 2020, sale of water heater business undertaking ("WHBU") being part of Consumer Appliances of the Company for focussed growth of its water heating business, to its then wholly owned subsidiary M/s. Hintastica Private Limited by way of slump sale on a going concern basis, the lump sum consideration for such sale and transfer being ₹ 49.37 crore (Rupees Forty Nine Crore and Thirty Seven Lacs) (determined by an independent valuer) subject to customary closing adjustments in accordance with the provisions of the Business Transfer Agreement. The aforesaid sale of WHBU was consummated and made effective with effect from 31 December 2020.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has Brilloca Limited as its material subsidiary in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

During the year under review, Alchemy International Cooperatief U.A. (Subsidiary of Halis International Ltd.) and Haas International B.V. (Subsidiary of Alchemy International Cooperatief U.A.) have been voluntary liquidated and ceased to be stepdown subsidiaries of the Company w.e.f. 16 March 2021.

During the year under review, the Board of Directors of the Company at its meeting held on 25 March 2021 approved the execution of the Share Subscription and Shareholders Agreement ("SSHA") with M/s. Atlantic Societe Francaise De Development Thermique, France ("Groupe Atlantic") and Hintastica Private Limited ("HPL"). Pursuant to the

execution of the SSHA, the Company has infused ₹ 766.59 lakh by subscribing 25,300 equity shares and Groupe Atlantic has infused ₹ 6,826.59 lakh by subscribing 2,25,300 equity shares in the equity share capital of HPL and accordingly HPL has become a 50:50 joint venture between the Company and Groupe Atlantic (subject to compliance of applicable closing conditions, regulatory filings and approvals, if any, as may be applicable).

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. (Please refer to the Consolidated Financial Statements Section of the Annual Report).

Further, a statement containing the salient features of the financial statements of our subsidiaries in the prescribed format AOC-1 forms part of the consolidated financial statements and hence not repeated here for the sake of brevity. The statements provide the details of performance, financial positions of each of the subsidiaries.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on Company's website i.e. <http://www.shilgroup.com>. These documents will also be available for inspection in the investors' section of our website.

The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: <http://www.shilgroup.com/pdf/Policy-on-Material-Subsidiaries.pdf>

SHARE CAPITAL

During the year under review, the Company did not issue equity shares. Accordingly, the paid-up equity share capital of the Company as on 31 March 2021 was ₹ 1,445.93 lakh.

CREDIT RATINGS

During the year under review, the Company had received its credit ratings from CARE Ratings Limited. A detailed note on the credit ratings of the Company is provided in the Corporate Governance Report section of this Annual Report.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Please refer IEPF section of Notice of AGM which forms part of this Annual Report.

DIVIDEND

Your Directors have recommended a dividend of 15% i.e. ₹ 0.30 (Thirty paise) on every share of ₹ 2/- each for the financial year ended 31 March 2021, amounting to ₹ 216.89 lakh. The dividend payout is subject to approval

of members at the ensuing Annual General Meeting of the Company.

The dividend will be paid to members whose names appear in the Register of Members as on 18 September 2021 and in respect of shares held in dematerialised form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on 17 September 2021.

TRANSFER TO RESERVES

The Board proposes not to transfer any amount out of the profit for the year under review to the general reserve.

DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and as such no amount of principal or interest was outstanding as on the Balance Sheet date.

AUDITORS AND AUDITORS' REPORTS

Statutory Auditors

At the 1st Annual General Meeting of the Company held on 6 September 2018, the members approved the appointment of M/s. Lodha & Co., Chartered Accountants, as statutory auditors of the Company having Firm's Registration No. 301051E to hold the office till the conclusion of the 6th Annual General Meeting of the Company subject to ratification of the appointment by the members, at every Annual General Meeting. As per the notification issued by the Ministry of Corporate Affairs (MCA) dated 7 May 2018 for the Companies (Amendment) Act, 2017 and Companies (Audit and Auditors) Amendment Rules, 2018, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting, therefore no resolution for such ratification is taken in the Notice of the ensuing AGM.

The Notes on Financial Statements referred to in the Auditors' report are self-explanatory and therefore do not require any further comments.

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

Secretarial Auditor

The Board had appointed M/s. DMK Associates, Company Secretaries, New Delhi, (Ms. Monika Kohli, Practicing Company Secretary CP No.4936) to conduct Secretarial Audit for the financial year 2020-21, pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report in Form No. MR - 3 for the financial year 2020-21 is enclosed as **Annexure A** to this Report. The Secretarial Audit Report does not contain any observation or adverse remark.

Further, Brilloca Limited, the material unlisted subsidiary of the Company has undergone Secretarial Audit for the year ended 31 March 2021. The Secretarial Audit report issued by M/s. DMK Associates, Company Secretaries, New Delhi, (Ms. Monika Kohli, Practicing Company Secretary CP No.4936) is enclosed as **Annexure-AA**. The said report is self-explanatory and does not contain any qualifications, reservations, adverse remarks or disclaimers.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is into trading and marketing of products, however, the particulars as prescribed in sub section (3)(m) of Section 134 of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 are provided in the enclosed **Annexure B** to this Report to the extent applicable.

ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, the Annual Return in prescribed format may be accessed on the Company's weblink: <https://www.shilgroup.com/annual-general-meetings.php>

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of SEBI LODR, is presented in a separate section forming part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors in terms of Section 134(3)(c) of the Companies Act, 2013 ("Act") state that:

- in the preparation of the annual accounts for the year ended 31 March 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, had been followed and there are no material departures from the same;
- the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2021 and of the profit of the Company for the year ended on that date;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts on a 'going concern' basis;
- the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CORPORATE GOVERNANCE

The report on Corporate Governance as stipulated under SEBI LODR forms an integral part of this Report. The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The disclosure in Form No. AOC-2 is enclosed as **Annexure C** to this report.

The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://www.shilgroup.com/pdf/Policy-for-determining-materiality-of-events.pdf>.

Your Directors draw attention of the members to Note no. 44 to the financial statements which set out related party disclosures.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year under review, the provisions of Section 135 of the Companies Act, 2013 pertaining to Corporate Social Responsibility (CSR) were not applicable to the Company.

NUMBER OF BOARD MEETINGS

During the year under review, 6 Board Meetings were convened and held. For further details, please refer to the Report on Corporate Governance which is forming part of this Annual Report.

AUDIT COMMITTEE

The Audit Committee comprises of Independent Directors namely Mr. Salil Kumar Bhandari (Chairman), Mr. N. G. Khaitan, Ms. Anisha Motwani and a Non-Independent Director Mr. Sandip Somany as members of the Committee. For further details, please refer to the Report on Corporate Governance which is forming part of this Annual Report.

All the recommendations made by the Audit Committee were accepted by the Board.

DISCLOSURE UNDER SECRETARIAL STANDARDS

The Directors state that the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India. The details with respect to the composition, terms of reference, number of meetings held etc. of the statutory committees of the Board of Directors are included in the Report on Corporate Governance, which forms part of the Annual Report.

VIGIL MECHANISM (WHISTLE BLOWER) POLICY

The Company has in place a Whistle Blower Policy to establish a vigil mechanism for Directors/Employees and other stakeholders of the Company to report concerns affecting the smooth and efficient running of operations of the Company. This Policy documents the Company's commitment to maintain an open work environment in which employees, consultants and contractors are able to report instances of unethical or undesirable conduct, actual, suspected fraud or violation of the Company's Code of Conduct.

The Vigil Mechanism (Whistle Blower) Policy is available on the Company's website at the link: <http://www.shilgroup.com/vigil-mechanism.php>

NOMINATION AND REMUNERATION POLICY

The Company has in place a Nomination and Remuneration Policy for appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration as per the Companies Act, 2013 and SEBI LODR.

The Nomination and Remuneration Policy is available on the Company's website at the link: <http://www.shilgroup.com/pdf/Nomination-and-Remuneration-Policy.pdf>

DIVIDEND DISTRIBUTION POLICY

The Company has in place a Dividend Distribution Policy as per Regulation 43A of SEBI LODR. The policy was adopted to set out the parameters that will be taken into account by the Board in determining the distribution of dividend to its members and/or retaining profit earned by the Company. The Policy is available on the Company's website at the link: <http://www.shilgroup.com/pdf/Dividend-Distribution-Policy.pdf>

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the Financial Statements (Please refer Note nos. 7, 13 and 49).

PARTICULARS OF EMPLOYEES

Information required as per Section 197(12) of the Companies Act, 2013 ("Act") read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure D** to this Report.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is provided in the Annual Report, which forms part of this Report. Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

INTERNAL CONTROLS

The internal control systems are commensurate with the size, scale and complexity of the operations of the Company. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with the applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation, and ensuring compliance with corporate policies. The Company uses SAP, a well-accepted Enterprise Resource Planning (ERP) system, to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information.

The Audit Committee of the Board of Directors, comprising majority of Independent Directors, reviews the effectiveness of the internal control system across the Company, including the annual plan, significant audit findings and recommendations, adequacy of internal controls and compliance with accounting policies and regulations.

INTERNAL FINANCIAL CONTROLS

The Company has in place an adequate Internal Financial Controls framework. It has documented Risk and Control Matrices (RACM) covering all activities, and all controls are tested for design and operating effectiveness as part of its Internal Financial Control reporting framework. The financial controls are evaluated for both design and operating effectiveness by an external consulting firm of repute. The Internal Financial Controls are adequate and are in line with best practices applicable to organisations of a similar size, nature and complexity.

RISK MANAGEMENT

The Company has a robust Risk Management framework which identifies & assesses strategic, operational, financial and compliance risks and monitors the effectiveness & efficiency of risk mitigation and control measures. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Sexual Harassment Policy in compliance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Internal Complaints Committee (ICC) has been set up to redress complaints regarding sexual harassment, if any.

The Directors further state that during the year under review, there were no complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sandip Somany, Non-Executive Chairman of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offered himself for re-appointment.

The Ministry of Corporate Affairs vide its notification dated 18 March 2021 introduced amendments by way of the Companies (Amendment) Act, 2020, in sections 149 and 197 of the Companies Act, 2013 and Schedule V thereto. Pursuant to these recently notified amendments, the Company may pay remuneration to its Independent Directors and Non-Executive Directors upto the limits as prescribed in Schedule V of the Companies Act, 2013 in case of no profits or inadequate profits. To give effect to aforesaid recent amendments, the existing resolution passed by the shareholders through postal ballot on 27 March 2020 is required to be superseded and a fresh resolution by way of Special Resolution shall be passed to enable the Company to pay such commission to Independent Directors and Non-Executive Directors for each Financial Year for further period of Five (5) years commencing from 1 April 2021 to 31 March 2026 in case of no profits or inadequate profits.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 ("the Act") and SEBI LODR. In the opinion of the Board, they fulfil the conditions of independence as specified in the Act and SEBI LODR and are independent of the management.

The Independent Directors of the Company are persons of integrity and comprise of appropriate skills/expertise/competencies (including proficiency) and have rich and varied experience in diversified domains for effective functioning of the Board of Directors of the Company.

BOARD EVALUATION

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria and framework adopted by the Board. In addition, the performance of Board as a whole and Committees were evaluated by the Board after seeking inputs from all the Directors on the basis of various criteria.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of Board as a whole and performance of the Chairman was evaluated, taking into account the views of the Executive Director and Non-Executive Director. The evaluation process has been explained in the Corporate Governance Report section of the Annual Report.

TRAINING OF INDEPENDENT DIRECTORS

The details of programmes conducted for familiarisation of Independent Directors with the Company, nature of the industry in which the Company operates, business

model of the Company etc. has been uploaded on the Company's website at the web link: <http://www.shilgroup.com/training-of-directors.php>

For further details, please refer to the Report on Corporate Governance which is forming part of this Annual Report.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. Issue of Employees Stock Option to employees of the Company under any scheme.
5. The Managing Directors/Whole-time Directors of the Company do not receive any remuneration or commission from any of its subsidiaries.
6. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
7. The Company is not required to maintain cost records as specified in section 148(1) of the Companies Act, 2013.
8. Neither any application is made nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016.
9. The Company has not defaulted in the repayment of loans to the Banks or Financial Institutions. Accordingly, disclosure relating to one-time settlement with the Banks of Financial Institutions is not required.

ACKNOWLEDGMENT

Your Directors would like to express their appreciation for assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by all employees of the Company.

For and on behalf of the Board of Directors

Place: Gurugram
Date: 26 May 2021

Sandip Somany
Chairman

ANNEXURE - A

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

THE MEMBERS
M/s. SOMANY HOME INNOVATION LIMITED
CIN: L74999WB2017PLC222970
2, Red Cross Place
Kolkata, West Bengal-700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SOMANY HOME INNOVATION LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March 2021 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter along with **Annexure 1** attached to this report:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB). **(No FDI and ECB were taken and no ODI was given by the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended till date;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended till date;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act 2013, and dealing with client; **(Not applicable to the Company during the Audit Period)**
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and

- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not applicable to the Company during the Audit Period)**
- (vi) OTHER LAWS SPECIFICALLY APPLICABLE TO THE COMPANY AS IDENTIFIED BY THE MANAGEMENT.
- i. BEE – Bureau of Energy Efficiency,
 - ii. BIS – Bureau of Indian Standards, and
 - iii. The Public Performance License of Copyright Music (Sound Recording) issued by Phonographic Performance Limited.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards on meeting of Board of Directors (SS-1) and on General Meeting (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, and Guidelines to the extent applicable, Standards, etc. as mentioned above.

Based on the information received and records maintained, we further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive, Women and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.
2. Adequate notice of at least seven days was given to all Directors to schedule the Board Meetings along with agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting in compliance of the Act.
3. Majority decision is carried through and recorded in the minutes of the meetings. Further as informed and verified from minutes, no dissent was given by any director in respect of resolutions passed in the Board and committee meetings.

Based on the compliance mechanism established by the Company and on the basis of the Compliance Certificate (s) issued by Chief Executive Officer and Chief Financial Officer of the Company pursuant to Regulation 17(8) under

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and report given by Company Secretary under the Act taken on record by the Board of Directors at their meeting(s), we further report that:

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has not incurred any specific event/action that can have major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines, standards etc. except as follows:

1. Board Resolution pursuant to provisions of Section 179 and 180(1)(a) of the Companies Act, 2013, was passed on 23 June, 2020 subject to approval of members for approval of selling and transferring the Company's business undertaking engaged in the business of importing, sourcing, marketing, servicing, sale and distribution of domestic electric storage water heaters along with its connected accessories and spare parts, and ancillary sourced products such as instantaneous water heaters ("Business Undertaking"), to Hintastica Private Limited, a wholly owned subsidiary of the Company ("Buyer") by way of slump sale as an inseparable whole, on a going concern basis, for a lump sum consideration of ₹ 49.37 Crores (Rupees Forty Nine Crores Thirty Seven Lakh only) (determined by an independent valuer) subject to adjustments to the consideration in respect of the working capital or otherwise, if any and payable, in the manner as may be agreed between the Company and the Buyer.
2. Special Resolution under Section 180(1)(a) of the Companies Act, 2013 was passed by the members through postal ballot dated 3 August, 2020 for sale and transfer of Water Heater Business Undertaking of the Company to Hintastica Private Limited, a wholly owned subsidiary of the Company, by way of slump sale.
3. Board Resolution pursuant to the provisions of Sections 179 and 186 of the Companies Act, 2013 was passed on 25 March 2021 for investment of ₹ 7,66,59,000/- (Rupees Seven Crore Sixty Six Lakh Fifty Nine Thousand) in the share capital of Hintastica Private Limited ("HPL"), a wholly owned subsidiary of the Company, by subscribing to 25,300 equity shares of HPL having face value of ₹ 10/- for ₹ 3,030 along with investment by Atlantic Societe Francaise De Development Thermique ("Atlantic") and thereafter HPL will become the joint venture of both the companies.

4. Board Resolution pursuant to the provisions of Section 188 of the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was passed on 25 March 2021 for approval of execution and delivery of the Trademark License Agreement ("TMLA") with Hintastica Private Limited ("HPL"), at payment of a license fee by HPL at the rate of 1% on quarterly net sales for using the 'HINDWARE' brand on any of its products on a standalone brand usage basis; and the license fee to the Company at the rate of 0.50% on quarterly net sales for using the trademark 'HINDWARE' along with any other brand as a co-brand or joint brand on any of its products in relation to the proposed 50:50 JV with Atlantic and execution of the Share Subscription and Shareholders Agreement ("SSHA") with Atlantic and HPL, the existing aforesaid trademark license agreement dated 31 December 2020 executed between HPL and the Company shall be terminated.

Further, it was also proposed that along with the aforesaid termination of agreement, the Company shall simultaneously enter into new trademark license agreement with HPL on similar terms as agreed between Atlantic and HPL.

Further, pursuant to the provisions of Section 188 of the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board approved the execution and delivery of the Management Services Agreement ("MSA") between the Company and HPL at a consideration of upto ₹ 3.00 Crore, and in accordance with the other terms and conditions of MSA.

For DMK ASSOCIATES
COMPANY SECRETARIES

(MONIKA KOHLI)

B. Com (H), FCS, LL.B. I.P.
PARTNER

FCS. 5480, C. P. 4936

Peer Review No. 779/2020

UDIN: F005480C000345633

Date: 19 May 2021

Place: New Delhi

Annexure 1

To

THE MEMBERS,
M/s SOMANY HOME INNOVATION LIMITED
CIN: L74999WB2017PLC222970
2, Red Cross Place,
Kolkata, West Bengal-700001

Sub: Our Secretarial Audit for the Financial Year ended 31 March 2021 of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. As per the information provided by the Company, there are certain disputes/cases filed by or against the Company, which are currently lying pending with the various Courts. However as informed these cases have no major impact on the Company.
8. Due to prevailing second wave of COVID-19 and subsequent lockdown, we have conducted online verification & examination of records as provided by the Company and based on these records, this report is being issued.

For DMK ASSOCIATES
COMPANY SECRETARIES

(MONIKA KOHLI)

B. Com (H), FCS, LL.B. I.P.
PARTNER

FCS. 5480, C. P. 4936

Peer Review No. 779/2020

UDIN: F005480C000345633

Date: 19 May 2021
Place: New Delhi

ANNEXURE - AA

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,
M/s. Brilloca Limited
CIN: U74999WB2017PLC223307
2, Red Cross Place, Kolkata
West Bengal -700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Brilloca Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31 March 2021 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter along with **Annexure 1** attached to this report:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (**Not applicable to the Company during the Audit Period**);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (**Not applicable to the Company during the Audit Period**);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB); (**No FDI and ECB were taken by the company during the Audit Period**)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (**Not applicable to the Company during the Audit Period being an unlisted company**)
 - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended till date; (**Not applicable to the Company during the Audit Period being an unlisted company**)
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended till date; (**Not applicable to the Company during the Audit Period being an unlisted company**)
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (**Not applicable to the Company during the Audit Period being an unlisted company**)
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (**Not applicable to the Company during the Audit Period being an unlisted company**)

- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period being an unlisted company)**
- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period being an unlisted company)**
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period being an unlisted company)** and
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period being an unlisted company)**

(vi) **OTHER LAWS**

As per the information provided and confirmed by the management that the Company is into trading business. The Company has acquired/taken on lease various depots and warehouses for which registrations under Shop & Establishment Act (s) in different State(s) & UT(s) have been made. The Company had registered under Shop & Establishment Act (s) wherever applicable and obtained necessary Licenses, Certificates under various laws and statute(s) such as Trade Licenses, Professional Tax Certificates, GST Certificates etc. Further, as per the information provided and confirmed by the management, no sector specific law is applicable on the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. **(Not applicable to the Company during the Audit Period being an unlisted company).**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines to the extent applicable, Standards, etc. as mentioned above.

Based on the information received and records maintained, we further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-executive, Women and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.
2. Adequate notice of at least seven days was given to all Directors to schedule the Board Meetings along with agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting except few board meetings which were held at shorter notice in compliance of the Act.
3. Majority decision is carried through and recorded in the minutes of the Meetings. Further as informed, no dissent was given by any director in respect of resolutions passed in the Board and committee meetings.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has not incurred any specific event/action that can have major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines, standards etc. except the following:-

- 1) Ordinary Resolution under Section 61 of the Companies Act, 2013 read with the Companies (Share Capital & Debentures) Rules, 2014, was passed by the members in the Extra Ordinary General Meeting of the Company held on 01 December 2020 to increase the Authorised Share Capital of the Company from

- ₹ 10,00,000/- (Rupees Ten Lakhs only) comprising of 5,00,000 Equity Shares of ₹ 2/- each to ₹ 6,00,00,000/- (Rupees Six Crore only) divided into 3,00,00,000 Equity Shares of ₹ 2/- each and for amendment in Capital Clause of Memorandum of Association consequently.
- 2) Ordinary Resolution under Section 63 of the Companies Act, 2013 read with the Companies (Share Capital & Debentures) Rules, 2014, was passed by the members in the Extra Ordinary General Meeting of the Company held on 01 December, 2020 for issuance of bonus shares in the proportion of 48 (Forty-Eight) fully paid up Equity Shares of ₹ 2/- each for every 1 (One) fully paid-up Equity Share of ₹ 2/- each held by them, credited as fully paid-up to the holders of the Equity Shares of the Company.
- 3) Resolution passed by the Corporate Affairs Committee held on 14 December 2020 for issuance of 2,40,00,000 bonus shares of ₹ 2/- each to the shareholders of the Company.

For DMK ASSOCIATES
COMPANY SECRETARIES

(MONIKA KOHLI)

B. Com (H), FCS, LL.B. I.P.
PARTNER

FCS. 5480, C. P. 4936

Peer Review No. 779/2020

UDIN: F005480C000282460

Date: 12 May 2021

Place: New Delhi

Annexure 1

To

The Members,
M/s. Brilloca Limited
CIN U74999WB2017PLC223307
2, Red Cross Place, Kolkata
West Bengal-700001

Sub: Our Secretarial Audit for the Financial Year ended 31 March 2021 of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. As per the information provided by the Company, there are certain disputes/cases filed by or against the Company, which are currently lying pending with the various Courts. However as informed these cases have no major impact on the Company.
8. Due to the outbreak of Covid-19, we had not verified the physical documents, however the Company has made available the documents/information electronically which we could not verify physically.

For DMK ASSOCIATES
COMPANY SECRETARIES

(MONIKA KOHLI)

B. Com (H), FCS, LL.B. I.P.
PARTNER

FCS. 5480, C. P. 4936

Peer Review No. 779/2020

UDIN: F005480C000282460

Date: 12 May 2021
Place: New Delhi

ANNEXURE - B

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy

Moving towards paper pulp in place of thermocol, shift towards runner less injection molds and actively working on BLDC technology across multiple segments are couple of steps which the Company has taken towards conservation of energy.

(ii) The steps taken by the Company for utilising alternate sources of energy

Not Applicable

(iii) The capital investment on energy conservation equipment:

S. No.	Capital Equipment	Capital investments on energy conservation equipments	Energy saving/annum (units in KWH)	Financial saving
Not Applicable				

(B) TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption

The Company is working to localise and bring the chimney manufacturing to India. This will give a head start to localise various technologies and other critical parts in the near future along with our strategic OEM partners.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution

Once the localised chimney production starts, the Company make huge gains in areas of value engineering, faster time to market and reduce our dependency over imports.

(iii) In case of imported technology (imported during last three years reckoned from the beginning of the financial year)

Details of technology imported	Technology import from	Year of import	Status of implementation/ absorption, in case fully absorbed	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof
Not Applicable				

(iv) Expenditure incurred on Research and Development

Particulars	(₹ in lakh)	
	2020-21	2019-20
Capital Expenditure	NA	NA
Recurring Expenditure	NA	NA
Total	NA	NA
Total R&D expenditure as a % of total revenue		

(v) Foreign Exchange Earnings and Outgo

Particulars	(₹ in lakh)	
	2020-21	2019-20
Earning in foreign currency	0.62	-
Outgo of foreign currency		
- Raw Material, spare part and others	9,977.55	8,729.37
- Capital Equipment	2.49	465.62

ANNEXURE - C**FORM NO. AOC-2**

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NIL							

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a)	(b)	(c)	(d)	(e)	(f)
Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
NIL					

For and on behalf of the Board of Directors

Sandip Somany
Chairman

ANNEXURE - D

DETAILS PERTAINING TO EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A. THE INFORMATION REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 ARE GIVEN BELOW:

- (i) The ratio of the remuneration of each director to the median remuneration of the employee of the Company for the financial year:

Name of the Director	Ratio to median remuneration
Executive Director	
Mr. Rakesh Kaul	47.10
Non-Executive Directors	
Mr. Sandip Somany	0.99
Mr. Salil Kumar Bhandari	0.90
Mr. Ashok Jaipuria	0.45
Mr. Nand Gopal Khaitan	0.94
Ms. Anisha Motwani	0.63
Ms. Sumita Somany*	0.18
Mr. Girdhari Lal Sultania*	0.17

*Resigned as Directors during previous financial year. However, commission for the FY 2019-20 was paid during the FY 2020-21.

- (ii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Director, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase/(decrease) in remuneration in the financial year*
Mr. Sandip Somany, Chairman and Non-Executive Director	% increase/(decrease) in remuneration in the FY 2020-21 cannot be ascertained and compared as the remuneration paid to them was for part of the previous FY 2019-20 and not for the full FY 2019-20.
Mr. Rakesh Kaul, Whole-time Director and CEO	
Mr. Salil Kumar Bhandari, Independent Director	
Mr. Ashok Jaipuria, Independent Director	
Mr. Nand Gopal Khaitan, Independent Director	
Ms. Anisha Motwani, Independent Director	
Mr. Naveen Malik, Chief Financial Officer	
Ms. Payal M Puri, Company Secretary	

*Remuneration includes sitting fees and is calculated on paid basis and as per the Income Tax Act, 1961.

- (iii) The percentage increase in remuneration in the median remuneration of employee in the financial year: **% increase/(decrease) in remuneration in the FY 2020-21 cannot be ascertained and compared as the remuneration paid to them was for part of the previous FY 2019-20 and not for the full FY 2019-20.**
- (iv) The number of permanent employees on the rolls of the Company as on 31 March 2021: **380**
- (v) Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: **% increase/(decrease) in remuneration in the FY 2020-21 cannot be ascertained and compared as the remuneration paid to them was for part of the previous FY 2019-20 and not for the full FY 2019-20.**
- (vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company: **The Company affirms that the remuneration is as per the Nomination and Remuneration Policy of the Company.**

Business Responsibility Report

Somany Home Innovation Limited (SHIL) is committed to enhancing the welfare of communities where SHIL employees live and work, to protect the global environment and to be compliant with the laws and regulations of the country. SHIL has a Code of Conduct that every employee and business partner abides by and also committed to acting with integrity, honesty, compassion and high ethics in all situations.

This report conforms to the Business Responsibility Reporting (BRR) requirement of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and its amendments thereon and the National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, India.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:** L74999WB2017PLC222970
2. **Name of the Company:** Somany Home Innovation Limited
3. **Registered Address:** 2 Red Cross Place, Kolkata - 700001, West Bengal
4. **Website:** www.shilgroup.com
5. **E-mail ID:** investors@shilgroup.com
6. **Financial Year reported:** 1 April 2020 – 31 March 2021
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**
 - i. 47591, 47592 - Furniture and Kitchen Utilities (Retail)
 - ii. 47593, 47594, 47599 - Retail sale of cooking/kitchen appliances, other electrical/electronic household goods and other household appliances
8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**
 - i. Consumer Durables/Electronics household goods and other household appliances
 - ii. Furniture and Kitchen Utilities (Retail)
9. **Total number of locations where business activity is undertaken by the Company:**
 - i. Number of International Locations: NIL
 - ii. Number of National Locations: 19 (including Registered Office, Corporate Office, Warehouses and Stores)
10. **Markets served by the Company - Local/State/National/International:**

LOCAL	STATE	NATIONAL	INTERNATIONAL
Yes	Yes	Yes	Yes

SECTION B: FINANCIAL DETAILS OF THE COMPANY (RUPEES IN LAKHS)

- 1 **Paid up Capital (INR):** ₹ 1,445.93 Lakh
- 2 **Total Income (INR):** ₹ 50,760.74 Lakh
- 3 **Total profit after taxes (INR):** ₹ 1,864.56 Lakh
- 4 **Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%):**
As per the audited financials of the Company for the FY 2019-2020, the provisions of Corporate Social Responsibility (CSR) were not applicable to the Company for FY 2020-2021.
5. **List of activities in which expenditure in 4 above has been incurred:**
As per the audited financials of the Company for the FY 2019-2020, the provisions of Corporate Social Responsibility (CSR) were not applicable to the Company for FY 2020-2021.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?

Yes, the Company has Six (6) subsidiary companies as on 31 March 2021 including step down subsidiaries.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the Parent Company? If Yes, then indicate the number of such Subsidiary Company(s).

The Company has two (2) Foreign subsidiaries (including step down), all these subsidiaries are complying with the applicable laws of their country. The Company has four (4) Indian subsidiaries. The subsidiary companies define their own initiatives specific to their business context whilst having access to information and expertise residing with the parent company.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If Yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and follow the concept of being a responsible business.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for Business Responsibility Report

a) Details of the Director/Directors responsible for the implementation of the BR policy/policies

- › DIN : 08560772
- › Name : Mr. Rakesh Kaul
- › Designation : Whole-time Director & CEO

b) Details of the BR Head

S. No.	Particulars	Details
1.	DIN (if applicable)	08560772
2.	Name	Mr. Rakesh Kaul
3.	Designation	Whole-time Director & CEO
4.	Telephone number	+91-124-2889300
5.	E-mail ID	brr@shilgroup.com

2. Principle-wise (as per NVGs) BR Policy/Policies (Reply in Y/N)

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3: Businesses should promote the well-being of all employees.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

Principle 5: Businesses should respect and promote human rights.

Principle 6: Businesses should respect, protect and make efforts to restore the environment.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8: Businesses should support inclusive growth and equitable development.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a. Details of Compliance (Reply in Y/N)

S. No.	Questions	Business Ethics	Sustainability	Employees' Well-being	Stakeholders' Welfare	Human Rights	Environment	Regulatory Policy	Equitable Development	Customer Responsibility
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Yes, the policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	https://www.shilgroup.com/pdf/business-responsibility-policies.pdf								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes, any grievances or feedback to the policies can be sent to brr@shilgroup.com .								
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Yes, through Internal Auditors.								

b. If answer to S. No. 1 against any principle, is 'No', please explain why:

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within the next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The BR Head annually assesses the BR performance of the Company.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes its Business Responsibility Report which forms a part of the Company's Annual Report. The same can be accessed at the Company's website at the link: <https://shilgroup.com/annual-reports.php>.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company's policies on Ethics, Transparency and Accountability, along with the Code of Conduct, are applicable to all individuals working in the Company and its subsidiaries. For the foreign subsidiaries, the code is applicable in line with the local requirements prevailing in the country of operation. The Company encourages its business partners to follow the code.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

Stakeholder	Complaints received during FY 2020 -2021	Complaints Resolved during FY 2020 -2021	Complaints Resolved (%)
Investors' Complaints	5	5*	100%
Consumers' Complaints	433471	421568	97%
Total	433476	421573	97.26%

*As one complaint was received on 30 March 2021 through NSE, the reply to the complainant and response to NSE were sent in the 1st week of April, 2021 and was resolved subsequently. Hence, the complaint remained unresolved at the end of the quarter ended 31 March 2021.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- › Water Purifiers
- › Kitchen Chimneys
- › Evaporative Air Coolers

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

The Company has been shifting its manufacturing operations to more organised and better partners with integrated STP plants and adhering to all environmental norms. The machineries are well maintained giving better efficiencies and outputs with lesser wastages and energy consumption.

Product weight optimisation is a continuous process in the product development cycle with emphasis on lesser use of materials across all new developments.

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company had launched a water purifier by the name of Achelous Premium iPro in August, 2019 where the wastage due to RO is 50% instead of the usual water wastage varying between 60-70% in all other RO water purifiers.

Further, the Company has also developed a patented "Varycool" technology for air coolers where the consumers can control the cooling intensity as per their needs. By virtue of this feature, the cooler may not consume water all the time and will only be limited for the period when the consumer wants. This has resulted in reduction in water consumption.

Further, the R&D team of the Company is vigorously working towards the ways for reduction in water wastages which occurs during the reverse osmosis process in the RO based water purifiers.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has shifted its production facility closer to the markets where the products of the Company are required, which has reduced the transportation cost substantially and created sustainable SCM initiatives.

Further, the Company has installed a state of the art production facility for kitchen chimneys which has reduced the dependence on imports, freight cost as well as transportation time substantially. Resultantly, it has become a sustainable solution for product development and manufacturing.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company strongly believes in upgrading its partners with small set ups and elevate them for large scale cooperation. The Company has upgraded some of its vendors with basic facilities of mold manufacturing and plastic molding to product manufacturers and assemblers. Further, the Company continues to constantly work with its vendors/business partners towards the process for mutual growth and advantages.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5 - 10%, >10%). Also, provide details thereof, in about 50 words or so.

Not Applicable, as the Company has no manufacturing facility.

Principle 3: Businesses should promote the well-being of all employees.

1. Please indicate the total number of employees. - 380 (permanent employees)

2. Please indicate the total number of employees hired on a temporary/contractual/casual basis. - 151

3. Please indicate the number of permanent women employees. - 13

4. Please indicate the number of permanent employees with disabilities. - Nil

5. Do you have an employee association that is recognised by management? - No

6. What percentage of your permanent employees is members of this recognised employee association? - N.A.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

S. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a) Permanent Employees: 20%

(b) Permanent Women Employees: 20%

(c) Casual/Temporary/Contractual Employees: 15%

(d) Employees with Disabilities: N.A.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company's key stakeholders include employees, suppliers, customers, business partners, regulatory agencies and local communities around its sites of operation.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders.
Yes, the Company has identified the disadvantaged, vulnerable and marginalised stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

The Company continues to explore such initiatives to engage with the disadvantaged, vulnerable and marginalised stakeholders.

Principle 5: Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company along with its subsidiaries follows its policy on human rights, which is applicable to all employees in the Company. For its foreign subsidiaries, the policy is applicable in line with the local requirements prevailing in the country of operation. The Company encourages its business partners to follow the said policy. The Company discourages dealing with any supplier/contractor if it is in violation of human rights and also prohibits the use of forced or child labour at all manufacturing units and with business associates.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaint was received pertaining to human rights violation during the reporting period.

Principle 6: Businesses should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Company has a defined Environment Policy which is a guidance document for its employees, business partners, associates and other relevant stakeholders to encourage them to adopt more environment friendly and safe business practices.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming etc? Y/N. If yes, please give hyperlink for webpage etc.

The Company is aware of environmental concerns and has taken steps to reduce the impact on environment by working upon DFE (Design for Environment) initiatives at the product design stage.

3. Does the Company identify and assess potential environmental risks? Y/N

The Company is not involved in the manufacturing of any product. However, the Company has developed a separate Environment Policy to focus on the potential impact on the environment and its mitigation.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No, the Company doesn't have any project registered under Clean Development Mechanism.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc. Y/N. If yes, please give hyperlink for web page etc.

The Company is engaged into a business of retail trade of water heaters, which are energy efficient appliances. This is in accordance with the norms laid down by the Bureau of Energy Efficiency.

The Company has also introduced BLDC based chimneys which consume comparatively much lesser electricity. This technology is also being extended to air coolers and fans.

Further, the Company has shifted its production facility closer to the markets in which its products are demanded so as to reduce the transportation cost which aids in the reduction of CO₂ emission in the environment.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Not Applicable to the Company, since the Company is not involved in the manufacturing of any product.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No, the Company has not received any show cause/legal notice from CPCB/SPCB during the year.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, WQA (Water Quality Association)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Management of the Company constantly interacts with the Government Bodies and Policy Makers for the purpose of improvement and advancement of the industry in the public interest.

Principle 8: Businesses should support inclusive growth and equitable development.

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

There being inadequate profit in the immediately preceding financial year, the provisions of section 135 of the Companies Act, 2013 pertaining to Corporate Social Responsibility for the FY 2020-2021 were not applicable to the Company. However, the Company is committed to take such initiatives in the future.

2. Are the programmes/projects undertaken through in house team/own foundation/external NGO/ government structures/any other organisation?

No programmes/projects have been undertaken during the year under review. Please refer point 1 of Principle 8 above.

3. Have you done any impact assessment of your initiative?

Please refer point 1 of Principle 8 above.

4. What is your Company's direct contribution to community development projects (Amount in INR) and the details of the projects undertaken?

Please refer point 1 of Principle 8 above.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Please refer point 1 of Principle 8 above.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

2.74%

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information).

The packaged products of the Company carry information as required under the Legal Metrology Act, 2009 and related rules and regulations. Besides this, information on electrical specifications (like voltage, power consumption), product colour, capacity, weights, dimensions and sizes are also provided on the product label.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

Yes, the Company conducted a study through an independent consultant for water heaters and IMRB Research for exploring brand opportunities for the Company.

Report on Corporate Governance

COMPANY PHILOSOPHY

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. Our corporate governance system is founded on the pillar of transparency, and we believe in making timely disclosures and sharing accurate information regarding our financials and performance. The above principles have been the guiding force for achieving milestones and shall continue to be so in the years to come.

The Board of Directors ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. The Company keeps its governance practices under continuous review and benchmark to best practices across the globe.

A. BOARD OF DIRECTORS

The Company is managed and controlled by a professional Board comprising a blend of Executive and Non-executive professional Directors with considerable professional expertise and experience which provides leadership and guidance to the management thereby enhancing Stakeholders' value. As on 31 March 2021, the Board of Directors consisted of six Directors out of which four (i.e. 66.00%) are Independent Directors, one (17.00%) is Non-Executive Non-Independent Director and one (17.00%) is Executive Director. The composition of the Company's Board is in conformity with the provisions of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

As on 31 March 2021, none of the Directors on the Company's Board was a Director in more than 10 Public Companies (including 7 Listed Companies), neither a Chairman of more than 5 Committees nor a member of more than 10 Committees in all the public companies in which they are Directors. Further, all the Directors have made necessary disclosures regarding their Directorship and Chairmanship/

Committee Membership in other Companies as per the requirement of Listing Regulations, the Act and other applicable provisions, if any.

As on 31 March 2021, no Director is related to any other Director on the Board.

Appointment of the Chairman and Non-Executive Director, and Whole-time Director and CEO including the tenure and terms of their remuneration is approved by the members at their general meeting.

Six Board meetings were held during FY 2020-21 and the gap between two meetings did not exceed 120 days. The dates, on which the Board meetings were held, are as follows:

23 June 2020, 21 July 2020, 10 November 2020, 30 December 2020, 11 February 2021 and 25 March 2021.

The gap between two board meetings held on 11 February 2020 and 23 June 2020 respectively, exceeded period of 120 days due to challenges faced by the Company amidst lockdown restrictions due to the COVID-19 outbreak. The Ministry of Corporate Affairs and Securities and Exchange Board of India had also provided relaxations to the companies to conduct board meetings beyond a gap of 120 days through their respective circulars.

Dates for the Board meetings are decided well in advance to enable the Directors plan their schedules to facilitate participation in the meetings. The Agenda, along with the supporting documents, explanatory notes and information, as enumerated under Listing Regulations, are made available to the Board along with the notice of respective meetings in advance in order to enable them to make value addition and discharge their duties diligently during the meetings. The Board periodically reviews compliance reports of all laws applicable to the Company. The Company undertakes steps to rectify instances of non-compliance, if any.

The names and categories of the Directors on the Board, along with their attendance at the Board meetings held during the year ended 31 March 2021, and at the last Annual General Meeting, and the number of other Directorship and Chairmanship/ Membership of Committees held by them, are given below:

Name of the Director	No. of Board meetings attended during tenure	Whether attended the last AGM	No. of other Directorship*	Committee position of Companies**		No. of Equity Shares held
				Chairman	Member	
Executive						
Mr. Rakesh Kaul (Whole-time Director & CEO) DIN: 08560772	6	Yes	2	Nil	Nil	Nil
Non-executive and Non- Independent						
Mr. Sandip Somany (Chairman and Non-Executive Director) DIN: 00053597	6	Yes	5	Nil	1	2394731
Non-executive and Independent						
Mr. Ashok Jaipuria DIN: 00214707	4	No	2	Nil	Nil	25000
Mr. N. G. Khaitan DIN: 00020588	6	Yes	6	3	4	132
Mr. Salil Kumar Bhandari DIN: 00017566	6	Yes	4	1	1	Nil
Ms. Anisha Motwani DIN: 06943493	6	No	7	1	5	Nil

*This includes Directorship in public limited companies (including subsidiaries of public limited companies) and excludes Directorship in this Company, associations, private, foreign and Section 8 companies.

** Represents Chairmanship/Membership of Audit Committee and Stakeholder Relationship (Shareholders'/Investors' Grievance) Committee. This includes Chairmanship/Membership in public limited companies (including subsidiaries of public limited companies) and excludes Chairmanship/Membership in this Company, private, foreign and Section 8 companies.

Name of Listed Companies in which Directors hold Directorships other than Somany Home Innovation Limited

S. No.	Name of Director	Name of the Listed Company	Category of Directorship
1.	Mr. Sandip Somany	• HSIL Limited	Vice Chairman and Managing Director
		• JK Paper Limited	Independent Director
2.	Mr. Rakesh Kaul	Nil	N.A.
3.	Mr. Ashok Jaipuria	• Cosmo Films Limited	Managing Director
4.	Mr. N. G. Khaitan	• Mangalam Cement Limited	Independent Director
		• Reliance Chemotex Industries Limited	Non-Executive Non-Independent Director
		• India Power Corporation Limited (Formerly DPSC Limited)	Independent Director
		• JK Lakshmi Cement Limited	Independent Director
		• Chase Bright Steel Limited	Independent Director
5.	Mr. Salil Kumar Bhandari	• HSIL Limited	Independent Director
		• Greenpanel Industries Limited	Independent Director
6.	Ms. Anisha Motwani	• Prataap Snacks Limited	Independent Director
		• Welspun India Limited	Independent Director
		• Abbott India Limited	Independent Director
		• Angel Broking Limited	Independent Director

CORE SKILLS/EXPERTISE/COMPETENCIES OF DIRECTORS

The existing Board of Directors of the Company comprises of appropriate skills/expertise/competencies in diversified domains for its effective functioning. Further, the Board has identified the skills/expertise/competencies of each Director in accordance with their rich and varied experience across different sectors, in the following manner:

Area of Expertise	Name of Directors					
	Mr. Sandip Somany	Mr. Rakesh Kaul	Mr. Salil Kumar Bhandari	Mr. Ashok Jaipuria	Mr. Nand Gopal Khaitan	Ms. Anisha Motwani
Strategy	✓	✓	✓	✓	-	✓
Business Administration	✓	✓	✓	-	-	✓
Management	✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓
Engineering & Manufacturing	✓	-	-	✓	-	-

Area of Expertise	Name of Directors					
	Mr. Sandip Somany	Mr. Rakesh Kaul	Mr. Salil Kumar Bhandari	Mr. Ashok Jaipuria	Mr. Nand Gopal Khaitan	Ms. Anisha Motwani
Sales & Marketing	✓	✓	✓	✓	-	✓
Community Services	✓	-	✓	✓	-	-
Human Resources	✓	✓	✓	✓	-	-
Business Development	✓	✓	✓	✓	-	-
Finance	✓	✓	✓	✓	✓	✓
Legal	✓	-	-	✓	✓	-
Product Development	-	-	-	-	-	✓
Consumer Insight	-	-	-	-	-	✓
E-Commerce	-	✓	-	-	-	-
Technology	-	✓	-	-	-	-

The Board confirms that the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

During the FY 2020-21, no Independent Directors resigned from the Board of Directors of the Company.

B. COMMITTEES OF THE BOARD

The Board of Directors has constituted the following Committees for better governance with adequate delegation of powers to discharge the Company's requisite business:

- ◆ Audit Committee
- ◆ Corporate Affairs Committee
- ◆ Nomination and Remuneration Committee
- ◆ Stakeholders Relationship (Shareholders'/ Investors' Grievance) Committee
- ◆ Share Transfer Committee
- ◆ Risk Management Committee

The minutes of the meetings of all such committees are placed before the Board for discussion/noting.

Detail of the composition, number of meetings held during the year, attendance of members and scope of the committees are as below:

Audit Committee Composition

The Committee was constituted on 14 September 2019 and further, re-constituted on 23 June 2020 comprising of four Directors (one Non Independent Non Executive Director and three Independent Directors). Mr. Salil Kumar Bhandari, Fellow Chartered Accountant and Commerce graduate, is the Chairman of the Committee. The quorum of the Committee is two members or one-third of the members, whichever is higher with at least two Independent Directors. The Whole-time Director and CEO, Finance Head, Statutory Auditors and the Internal Auditors are invitees to the meetings of the Audit Committee. The business and operation heads are invited to the meetings, as and when required. The Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance

During the year, six meetings of the Audit Committee were held on 23 June 2020, 21 July 2020, 10 November 2020, 30 December 2020, 11 February 2021 and 25 March 2021. The Chairman of the Audit Committee attended the Company's last Annual General Meeting.

The following table summarises attendance of Audit Committee members during the year under review:

Name of Members	Status	No. of meetings held during the tenure	No. of meetings attended
Mr. Salil Kumar Bhandari	Chairman	6	6
Mr. Sandip Somany	Member	6	6
Mr. N. G. Khaitan	Member	6	6
Ms. Anisha Motwani	Member	6	6
Mr. Ashok Jaipuria*	Member	-	-

* Mr. Ashok Jaipuria ceased to be a member of Audit Committee w.e.f. 23 June 2020.

The Committee's existing composition meets with requirements of Section 177 of the Act and Listing Regulations. Members of the Audit Committee possess financial/accounting expertise/exposure.

Scope of the Audit Committee

The Audit Committee, inter alia, supports the Board to ensure an effective internal control environment. The Committee discharges such duties and functions with powers generally indicated in Listing Regulations.

The scope of the Audit Committee is as follows:

Powers of Audit Committee

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Terms of Reference

- ◆ Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, adequate and credible;
- ◆ Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fee;
- ◆ Approving payment to Statutory Auditors for any other services rendered by them;
- ◆ Reviewing, with the management, the Annual Financial Statements and Auditor's report thereon before submission to the Board for approval, with particular reference to, (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013; (b) Changes, if any, in accounting policies and practices and reasons for the same; (c) Major accounting entries involving estimates based on the exercise of judgment by management; (d) Significant adjustments made in the Financial Statements arising out of audit findings; (e) Compliance with listing and other legal requirements relating to Financial Statements; (f) Disclosure of any related party transactions; and (g) Qualifications in the draft audit report, if any;
- ◆ Reviewing, with the management, the Quarterly Financial Statements before submission to the Board for approval;
- ◆ Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue, if any, and making appropriate recommendations to the Board to take up steps in this matter;
- ◆ Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- ◆ Approval or any subsequent modification of transactions of the Company with related parties;
- ◆ Scrutiny of inter-corporate loans and investments;
- ◆ Valuation of undertakings or assets of the Company, wherever it is necessary;
- ◆ Reviewing, with the management, the performance of Statutory and Internal Auditors and adequacy of the internal control system;
- ◆ Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- ◆ Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- ◆ Reviewing reports of internal audit and discussing with Internal Auditors on any significant findings of any internal investigations by the Internal Auditors and the executive management's response on matters and follow-up thereon;
- ◆ Reviewing reports of cost audit, if any, and discussion with Cost Auditors on any significant findings by them;
- ◆ Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- ◆ To review the functioning of the Vigil (Whistle Blower) mechanism;
- ◆ Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- ◆ Recommending to the Board, the appointment and fixation of remuneration of Cost Auditors, if applicable;
- ◆ Evaluating Internal Financial Controls and Risk Management Systems and reviewing the Company's financial and risk management policies;
- ◆ Looking into the reasons for substantial defaults, if any, in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- ◆ Reviewing the Management Discussion and Analysis of financial condition and results of operation;
- ◆ Reviewing the statement of significant related-party transactions;
- ◆ Reviewing the management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- ◆ To review the appointment, removal and terms of remuneration of the Chief Internal Auditor;
- ◆ To review the internal audit report relating to internal control weaknesses;
- ◆ To review compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, and verify that the systems for internal controls are adequate and are operating effectively;
- ◆ To review the utilisation of loans and/or advances from/investment by the Company in its subsidiary companies exceeding ₹ 100 crore or 10% of the

asset size of the subsidiary, whichever is lower; and

- ♦ To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

Corporate Affairs Committee

Composition

The Company's Corporate Affairs Committee was constituted on 17 September 2019 and lastly, re-constituted on 23 June 2020 comprising of one Executive Director, one Non- Executive Non-Independent Director and one Independent Director. Mr. Rakesh Kaul, Whole-time Director & CEO of the Company, is Chairman of the Committee. The quorum for the Committee is two members. The Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance

The Corporate Affairs Committee met on six occasions during the FY 2020-21, on 4 August 2020, 30 September 2020, 30 November 2020, 14 December 2020, 28 January 2021 and 16 February 2021.

The following table summarises the attendance details of the Corporate Affairs Committee members:

Name of Members	Status	No. of meetings held during the tenure	No. of meetings attended
Mr. Rakesh Kaul	Chairman	6	6
Mr. Sandip Somany	Member	6	6
Mr. Salil Kumar Bhandari	Member	6	NIL

Scope of the Corporate Affairs Committee

The Corporate Affairs Committee's terms of reference include providing authorisation to the Company's Executives on account of banking operations, taxation, corporate and financial management issues and other incidental matters arising in the Company's day-to-day operations. The Committee's powers are revised from time to time by the Board of Directors to facilitate seamless operations of the Company.

Nomination and Remuneration Committee

Composition

The Company's Nomination and Remuneration Committee was constituted on 14 September 2019 and further, re-constituted on 17 September 2019. It comprises of three members, two of them are Independent Directors and one is Non-executive Non-Independent Director. The quorum for a meeting of the Nomination and Remuneration Committee shall be either two members or one third of the members of the Committee, whichever is greater, including at least one Independent Director in attendance. The Company Secretary acts as Secretary to the Committee.

Meetings and Attendance

During the year, the Nomination and Remuneration Committee met two times on 30 December 2020 and 11 February 2021. The following table summarises the attendance details of the Nomination and Remuneration Committee members:

Name of Members	Status	No. of meetings held during the tenure	No. of meetings attended
Mr. Salil Kumar Bhandari	Chairman	2	1
Mr. Sandip Somany	Member	2	2
Mr. N. G. Khaitan	Member	2	2

Terms of reference

The Nomination and Remuneration Committee is empowered to review and recommend to the Board of Directors, remuneration and commission of the Company's Executive Directors and Senior management with the guidelines laid down under the statute. The scope of the Nomination and Remuneration Committee is as follows:

- ♦ formulating criteria for determining qualifications, positive attributes and independence of Directors;
- ♦ identifying and recommending individuals who are qualified to become Directors, and who may be appointed as Senior Management in accordance with the criteria laid down;
- ♦ assisting the management of the Company in formulating and periodically reviewing the familiarisation programs for independent directors, as may be required;
- ♦ formulating criteria for evaluation of independent directors and the Board;
- ♦ specifying the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- ♦ recommending to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management, and while formulating such policy ensuring that (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of quality, required to run the Company successfully; (ii) the relationship of remuneration to performance is clear and meets the appropriate performance benchmarks; and (iii) remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between the fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- ♦ preparing a policy on diversity of the Board;

- ♦ recommending to the Board the re-appointment and removal of any individual holding the office of a Director, Key Managerial Personnel or Senior Management, subject to the provision of the law and their service contract;
- ♦ determining whether the relevant Director has the requisite qualifications for practice of a profession in terms of section 197 of the Companies Act, 2013 in relation to payment of remuneration for services rendered by such Director;
- ♦ recommending to the Board, all remuneration, in whatever form, payable to Senior Management;
- ♦ undertaking such other functions as may be determined by the Board or required under the provisions of the Companies Act, 2013 or the Listing Regulations; and
- ♦ undertaking such other actions as may be necessary or appropriate for performance of the aforementioned functions.

The Nomination and Remuneration Policy of the Company is available on the Company's website www.shilgroup.com.

Details of Remuneration of Directors

The table below provides the details of the remuneration paid to the Directors during the financial year 2020-21:

Name of Directors	Basic	Perquisites	Commission (for the year 2019-20)	Contribution to PF	Sitting Fee	Amount (in ₹)
						Total
Mr. Sandip Somany	N.A.	N.A.	143,487	N.A.	240,000	3,83,487
Ms. Sumita Somany *	N.A.	N.A.	70,175	N.A.	N.A.	70,175
Mr. Rakesh Kaul	168,89,957	640,632	N.A.	693,936	N.A.	182,24,525
Mr. Ashok Jaipuria	N.A.	N.A.	78,408	N.A.	95,000	1,73,408
Mr. Nand Gopal Khaitan	N.A.	N.A.	78,408	N.A.	2,85,000	3,63,408
Mr. Salil Kumar Bhandari	N.A.	N.A.	78,408	N.A.	2,70,000	3,48,408
Ms. Anisha Motwani	N.A.	N.A.	19,602	N.A.	2,25,000	2,44,602
Mr. Girdhari Lal Sultania*	N.A.	N.A.	66,255	N.A.	N.A.	66,255
TOTAL	168,89,957	640,632	534,743	693,936	11,15,000	19,874,268

* Ms. Sumita Somany resigned from Directorship w.e.f. 11 March, 2020 and Mr. Girdhari Lal Sultania resigned from Directorship w.e.f. 17 September 2019. The commission for the FY 2019-20, is paid to them during the FY 2020-21.

The Company has not issued any stock option to its directors/employees.

Directors with materially significant, pecuniary or business relationship with the Company

The transactions with related parties are furnished in note no. 44 of financial statements, as stipulated under Accounting Standard (Ind AS) 24. Apart from related party transactions furnished in note no. 44, there are no transactions of material nature with Directors or their relatives and others, which may have potential conflict with the Company's interest. The Register of Contracts required to be maintained under Section 189(1) and Rule 16(1) of the Act, containing the details of the contracts, in which the Directors are concerned or interested, is placed at the meeting of the Board of Directors for their approval and noting, on a periodical basis.

With the applicability of the Act and Listing Regulations, transactions attracting provisions of Section 188 which are in ordinary course of business and are at arm's length have been entered into after being reviewed, scrutinised and approved by the Audit Committee and with approval of the Board, wherever necessary.

No transactions which are not in ordinary course of business and are not at arm's length have been entered into with any related party.

The Policy on Related Party Transactions of the Company is available on the Company's website www.shilgroup.com.

Stakeholders Relationship (Shareholders'/ Investors' Grievance) Committee

Composition

The Committee was constituted on 17 September 2019 comprising of three members, two of them are Independent Directors and one is Executive Director. The Chairman of the Committee is Mr. Salil Kumar Bhandari. The Company Secretary of the Company acts as the Secretary to the Committee and is also the Company's Compliance Officer.

Meetings and Attendance

During the year, four meetings of the Committee were held on 23 June 2020, 21 July 2020, 10 November 2020 and 11 February 2021. The following table summarises the attendance details of the Stakeholders Relationship (Shareholders'/Investors' Grievance) Committee members:

Name of Members	Status	No. of meetings held during the tenure	No. of meetings attended
Mr. Salil Kumar Bhandari	Chairman	4	4
Mr. Nand Gopal Khaitan	Member	4	4
Mr. Rakesh Kaul	Member	4	4

Scope of Stakeholders Relationship (Shareholders'/Investors' Grievance) Committee

- ◆ To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- ◆ To review measures taken for effective exercise of voting rights by shareholders.
- ◆ To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- ◆ To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

During the year, 5 complaints were received and duly resolved by the Company.

Out of the 5 complaints received, one complaint was received on 30 March 2021 through NSE, the reply to the complainant and response to NSE were sent in the first week of April 2021. Hence, the complaint remained unresolved as on 31 March 2021 but stands resolved as on the date of this report.

Share Transfer Committee

Composition

The Committee comprises of three members. The Committee comprises of the Company's Authorised Representatives/Executives as its members.

Meetings and Attendance

The Committee conducts monthly meetings for the approval of transmission of shares, if any, lodged with the Company. As on 31 March 2021, no such request was pending.

Scope of the Share Transfer Committee

The Board entrusts the Share Transfer Committee with the powers related to transmissions, consolidation, splitting and issue of share certificates, in exchange of sub-divided/consolidated and others and overseeing the performance of the Company's appointed Registrar and Share Transfer Agent.

Risk Management Committee

Composition

Pursuant to the notification dated 5 May 2021, the Securities and Exchange Board of India (SEBI), has issued SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 ("Amended Regulations"). As per the said Amended Regulations, top 1000 listed entities (by market capitalisation as on 31st March every year) are required to constitute the Risk Management Committee.

The Company has constituted its Risk Management Committee on 26 May 2021, comprising of four members, three of them being members of the Board, including one Independent Director and one senior executive of the Company. Mr. Sandip Somany, Chairman and Non-Executive Director of the Company is the Chairman of the Committee. The quorum for the meetings of the Committee is either two members or one-third of the total members, whichever is higher, including at least one member of the Board of Directors. The Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance

Since the Committee has been constituted on 26 May 2021, no meeting was required to be held during the FY 2020-21. The following table summarises the details of the members of Risk Management Committee:

Name of Members	Status	No. of meetings held during the tenure	No. of meetings attended
Mr. Sandip Somany	Chairman		
Mr. Salil Kumar Bhandari	Member	NA	NA
Mr. Rakesh Kaul	Member		
Mr. Sandeep Sikka	Member		

Scope of the Risk Management Committee

The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

Terms of reference

- ◆ To formulate a detailed risk management policy which shall include:
 - a. framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. business continuity plan.
- ◆ To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- ◆ To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

- ♦ To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- ♦ To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- ♦ The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- ♦ The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors;
- ♦ Monitoring and Reviewing the Risk Management Plan; and
- ♦ Such other function(s) as the board of directors may deem fit.

C. OTHER MEETING

Independent Directors Meeting

During the year under review, the Independent Directors met on 11 February 2021 to, inter alia, discuss:

- ♦ Evaluation of the performance of Non-Independent Directors;
- ♦ Evaluation of the Board of Directors as a whole;
- ♦ Evaluation of the performance of the Chairman of the Company, taking into account the view of the Executive and Non-Executive Directors; and
- ♦ The quality, quantity and time lines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

S. No.	Resolution	Votes cast in favour		Votes cast against		Date of approval of resolution
		No. of votes	%	No. of votes	%	
1.	As a Special Resolution Sale and Transfer of Business Undertaking	53,605,285	99.99	2,972	0.01	3 August 2020

Mr. Pravin Kumar Drolia, Practicing Company Secretary, Kolkata (FCS: 2366, CP: 1362), was appointed to act as Scrutinizer of the Company to conduct the Postal Ballot and remote e-voting process in a fair and transparent manner.

There is no immediate proposal for passing any resolution through postal ballot.

Procedure for Postal Ballot(s)

In compliance with Regulation 44 of the Listing Regulations and Sections 108, 110 and other

D. GENERAL BODY MEETINGS

Annual General Meeting

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
2019-20	3 September 2020	12:00 noon	Through Video Conferencing/ Other Audio Visual Means Registered Office - 2, Red Cross Place, Kolkata - 700 001
2018-19	3 August 2019	11.00 a.m.	2, Red Cross Place, Kolkata-700 001
2017-18	6 September 2018	10.00 a.m.	Kolkata-700 001

One Special Resolution was passed at the Annual General Meetings held during the last three financial years

Date of Annual General Meeting	No. of Special Resolution passed	Particulars
3 September 2020	1	Approval for appointment of Mr. Rakesh Kaul as Whole-time Director and Chief Executive Officer and remuneration payable thereof

Extra Ordinary General Meeting

During the financial year 2020-21, no Extra Ordinary General Meeting was held.

Postal Ballot

During the financial year 2020-21, the Company conducted Postal Ballot once, the results of which were declared on 4 August 2020. One resolution was passed through Postal Ballot, the details of which are as under:

applicable provisions of the Act read with related rules, the Company engaged the services of Central Depository Services (India) Limited (CDSL) for the purpose of providing remote e-voting facility to all its Members. The Members were provided with the facility of remote e-voting and postal ballot.

This Notice was only sent through email to all the Members who had registered their email addresses with the Company or depository/depository participants and the physical Notice (along with postal ballot forms) and pre-paid business envelope

through post were not sent to the Members for the aforesaid postal ballot pursuant to the MCA General Circulars No.14/2020 dated 8 April 2020 and No.17/2020 dated 13 April 2020 respectively on account of nationwide lockdown due to COVID-19 outbreak. The communication of assent/dissent of the Members took place through the remote e-voting system. However, in order to facilitate voting for the Members who were not able to access remote e-voting facilities, the Members were also given an option to cast their votes through physical ballots, as per the instructions provided in the Notice.

The Company also placed the Notice on its website and published the same in the newspapers declaring the details of completion of dispatch and other requirement as mandated under the Act and applicable rules.

Voting rights were reckoned on the paid-up value of the shares registered in the name of the Members as on the cut-off date. Members who desired to exercise their votes by electronic mode were requested to vote before close of business hours on the last date of e-voting and the Members who desired to exercise their votes by physical postal ballot form were requested to download the postal ballot form from www.shilgroup.com and return the duly completed and signed form, to the Scrutinizer on or before the close of voting period.

The Scrutinizer submitted his reports after completion of the scrutiny and the consolidated results of the voting by postal ballot and remote e-voting. Thereafter, Mr. Girdhari Lal Sultania, authorised person of the Company, announced the result on 4 August 2020. The proposed resolution was passed with requisite majority and the results of postal ballot were also displayed on the website of the Company i.e. www.shilgroup.com, besides communicated to the stock exchanges. The date of declaration of the results by the Company was 4 August 2020 and the deemed date of passing the resolution was 3 August 2020.

E. DISCLOSURES

Disclosure of Accounting Treatment

The Company followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

Risk Management

The Company has a robust Risk Management framework which identifies and assesses strategic, operational, financial and compliance risks and monitors the effectiveness and efficiency of risk mitigation and control measures. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis.

Disclosure of Commodity Price Risks and Hedging Activities

Please refer Note No. 42 of the Consolidated Financial Statements, which form part of the Annual Report.

Strictures/Penalties

No strictures/penalties were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, or any matter related to capital markets during the last three years.

Proceeds from public issues, right issues, preferential issues

During the financial year 2020-21, the Company did not raise capital through public, rights and/or preferential issue.

Management

The Management Discussion and Analysis Report forms a part of the Annual Report and is in accordance with the requirements laid down in Regulation 34 of the Listing Regulations.

No material transaction was entered into by the Company with the Promoters, Directors or the Senior Management that may have a potential conflict with the Company's interest.

Vigil Mechanism (Whistle Blower) Policy

The Company has put in place a mechanism for reporting illegal, unethical behavior, malpractice, impropriety, abuse, insider trading or wrongdoing. The Company has a Vigil Mechanism (Whistle Blower) Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct.

The email Id where employees can post their complaints/observations is "vigilmech@shilgroup.com". During the year under review, no employee was denied access to Audit Committee.

Performance Evaluation

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually, Chairman as well as the evaluation of the working of its Nomination and Remuneration Committee. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Boards functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligation and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment,

safeguarding the interest of the Company and its shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors and the Directors expressed their satisfaction with the evaluation process.

Somany Home Innovation Limited Code of Conduct for the Prevention of Insider Trading

The Company has created its Code of Conduct for the Prevention of Insider Trading, in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

The Code of Conduct for Prevention of Insider Trading, inter alia, prohibits purchase/sale of Company's shares, while in possession of Company's unpublished and price-sensitive information and accordingly necessary procedures have been laid down for the Designated Persons and others as prescribed under the said code for trading in the Company's securities.

Somany Home Innovation Limited- Code of Practices and Procedures for Fair Disclosures is available on the Company's website www.shilgroup.com.

Subsidiary Companies

Somany Home Innovation Limited has Brillloca Limited as its unlisted Indian subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year. The minutes of the Board meetings as well as statements of all significant transactions of the unlisted subsidiary companies are circulated with the agenda of the Board meeting to the Company's Board of Directors. The policy on Material Subsidiaries is available on the Company's website at the link: <http://www.shilgroup.com/pdf/Policy-on-Material-Subsidiaries.pdf>

Particulars of Director seeking re-appointment

Pursuant to provisions of the Act, Mr. Sandip Somany shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

For detailed particulars on the Director seeking re-appointment, please refer to Notice dated 26 May 2021 of the Annual General Meeting scheduled to be held on 27 September 2021.

Training of Independent Directors

As per Regulation 25(7) of Listing Regulations, the Company provides suitable training to the Independent Directors to familiarise them with the Company, their roles, rights, responsibilities, nature of the industry in which the Company operates,

business model of the Company and any other relevant information, if any. The details of such training imparted are disclosed in the Annual Report.

The Company provides an orientation and business overview to all its new Directors and provides materials and briefing sessions periodically to all Directors which assist them in discharging their duties and responsibilities.

The details of programmes conducted for familiarisation of Independent Directors with the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: <http://www.shilgroup.com/training-of-directors.php>.

Further, the Company issues a formal letter of appointment to Independent Directors outlining their roles, responsibilities, functions and duties as an Independent Director. The format of the letter of appointment is available on the Company's website at the link: <http://www.shilgroup.com/appointment-letter-to-independent-directors.php>

Adoption of mandatory and non - mandatory requirements of Listing Regulations

The Company has complied with all mandatory requirements of Listing Regulations. The Company has adopted following non-mandatory requirements of the Listing Regulations:

Audit Qualification

The Company is in the regime of unqualified financial statements.

Reporting of Internal Auditor

The Internal Auditor directly reports to the Audit Committee.

Certificate from a Company Secretary in Practice

The certificate from a Company Secretary in Practice, stating that none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs (MCA) or any such statutory authority, is enclosed to this Report.

Deviations, if any, of mandatory recommendations by the Committees to the Board of Directors

During the year, there was no instance wherein the Board of Directors of the Company did not accept any recommendation of the Committees.

Details of total fees paid to Statutory Auditor

The details of total fees for all services paid by the Company and its subsidiaries for the FY 2020-21, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part, are as follows:

		(₹ in lakhs)
S. No.	Nature of Service	Amount
1.	Audit Fees	21.17
2.	Other Services	13.33*
Total		34.50

*Payment for other services has been approved by the Audit Committee as required under Listing Regulations.

Sexual Harassment of Women at Workplace

The disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are mentioned in the Directors' Report which forms part of this Annual Report.

F. MEANS OF COMMUNICATION

Results

The quarterly, half yearly and annual results are submitted to the Stock Exchange(s) in accordance with Listing Regulations. Further, the quarterly/half yearly/annual results in the prescribed format, are published within 48 hours in any prominent daily newspaper, such as The Financial Express, the english daily and Ekdin vernacular newspaper. All vital information of the Company's performance, including Financial Results, Annual Reports and Shareholding Pattern have been posted on the Company's website i.e. www.shilgroup.com.

News releases, presentations, among others

Official news releases and official media releases etc. are displayed on the Company's website i.e. www.shilgroup.com.

Presentation

The Company makes financial presentations to institutional investors, mutual funds and others who have invested or intends to invest in the Company's share capital and such presentations are available on the website of the Company.

Website

The Company's website i.e. www.shilgroup.com contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

Annual Report

The Annual Report containing, inter alia, Audited Financial Statements, Consolidated Financial Statements, Directors' Report, Auditors' Report, Business Responsibility Report, if applicable, and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website i.e. www.shilgroup.com.

NSE Electronic Application Processing System (NEAPS)

The NEAPS is a web-based application designed by NSE for Corporates. All periodical compliance filings like shareholding pattern, corporate governance

report, results and other requirement of Listing Regulations, media releases, among others are filed electronically on NEAPS, by the Company.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre')

BSE's Listing Centre is a web-based application designed for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, results, media releases, among others are also filed electronically on the Listing Centre by the Company.

SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Designated Exclusive email-id

The Company has designated the email-id investors@shilgroup.com exclusively for investor services.

G. SHAREHOLDER INFORMATION

Company Registration Details

The Company is registered with the Registrar of Companies, in the State of West Bengal, India. The Corporate Identification Number (CIN) allotted to the Company by the MCA is L74999WB2017PLC222970.

Contact Information

Registered Office

2, Red Cross Place
Kolkata - 700 001
Phone: +91-33-2248 7404/7405
email: investors@shilgroup.com

Corporate Office

Plot No. 68, Echelon Institutional Area,
Sector -32, Gurugram, Haryana-122001
Phone: +91-124-2889300
Email: payal@hindware.co.in

Plant locations

The Company is engaged into marketing and trading activities, hence it does not have any manufacturing unit.

Company Secretary

Ms. Payal M Puri

Annual General Meeting

The 4th Annual General Meeting is scheduled to be held on Monday, 27 September 2021 at 12:00 Noon.

Financial Calendar

The Company follows April to March as its financial year. The results for every quarter, beginning from April, are declared within 45 days of the end of quarter, except for the last quarter, which are submitted,

along with the annual audited results within 60 days of the end of the last quarter, as permitted under the Listing Regulations. However, during the year under review, the financial results for the fourth quarter and year ended 31 March 2020 were filed with the stock exchanges beyond 60 days due to country wide lockdown due to COVID-19.

Date of Book Closure

Saturday, 18 August 2021 to Monday, 27 September 2021 (both days inclusive).

Dividend Payment Date

On or before 4 October 2021

Listing on Stock Exchanges

The Stock Exchanges, at which the Company's equity shares are listed, and the respective stock codes are:

National Stock Exchange of India Ltd. (NSE): SHIL
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Mumbai-400051
Maharashtra, India

BSE Ltd. (BSE): 542905
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001
Maharashtra, India

Monthly Stock Market Data

Month	NSE High Price	NSE Low Price	BSE High Price	BSE Low Price
Apr-20	84.35	55.10	83.45	55.80
May-20	75.00	61.35	73.25	61.50
Jun-20	105.00	67.05	100.35	68.50
Jul-20	85.85	68.10	88.00	68.10
Aug-20	96.50	69.35	96.90	69.90
Sep-20	93.00	77.30	90.80	77.40
Oct-20	83.90	73.05	84.90	73.10
Nov-20	134.80	74.05	133.90	74.10
Dec-20	162.65	112.00	162.60	113.25
Jan-21	194.70	156.00	193.50	156.00
Feb-21	317.80	168.75	317.70	169.25
Mar-21	311.30	245.50	311.45	245.65

Monthly closing price of Somany Home Innovation Limited shares on NSE and NSE Nifty

Month	NSE	NSE Nifty
Apr-20	74.70	9859.90
May-20	66.45	9580.30
Jun-20	78.10	10302.10
Jul-20	74.40	11073.45
Aug-20	86.80	11387.50
Sep-20	82.55	11247.55
Oct-20	75.15	11642.40
Nov-20	116.65	12968.95
Dec-20	160.20	13981.75
Jan-21	171.60	13634.60
Feb-21	285.60	14529.15
Mar-21	271.55	14690.70

International Securities Identification Number (ISIN) of the Company's equity shares, having face value of ₹ 2 each, is INE 05AN 01011.

Listing fees for the financial year 2021-22 have been paid to the Stock Exchanges.

Registrar and Share Transfer Agent

M/s. Maheshwari Datamatics Private Limited is the Company's Registrar and Share Transfer Agent (RTA) for its equity shares. The contact details of RTA are:

Maheshwari Datamatics Private Limited
23, R. N. Mukherjee Road, 5th Floor, Kolkata -700 001
Phone: +91-33-2243 5029/2248 2248
Fax: +91-33-2248 4787
Email: mdpldc@yahoo.com

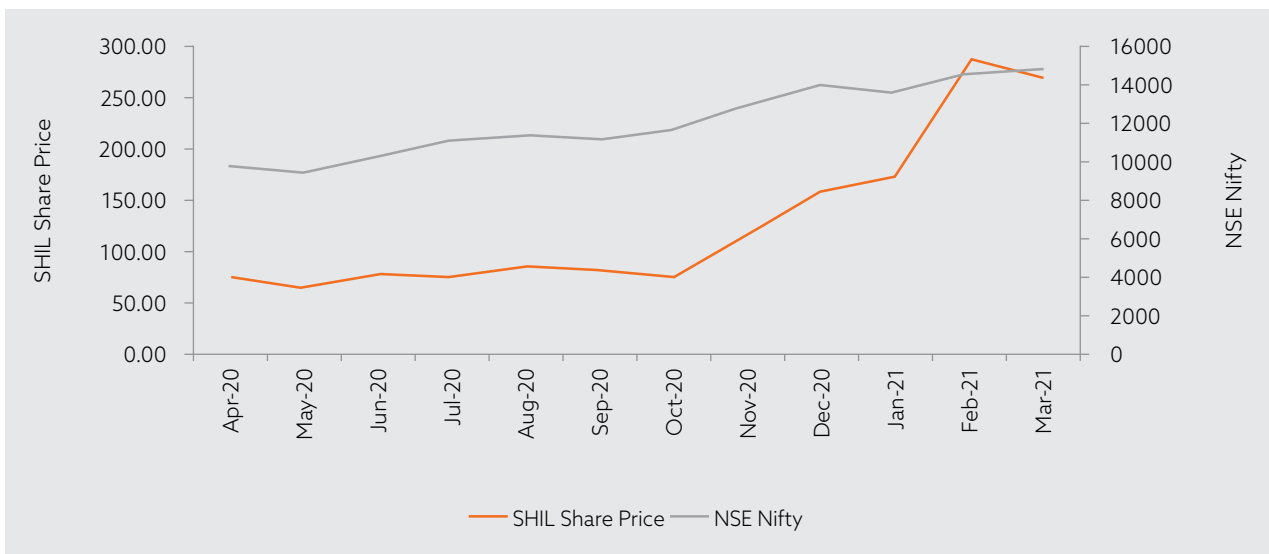
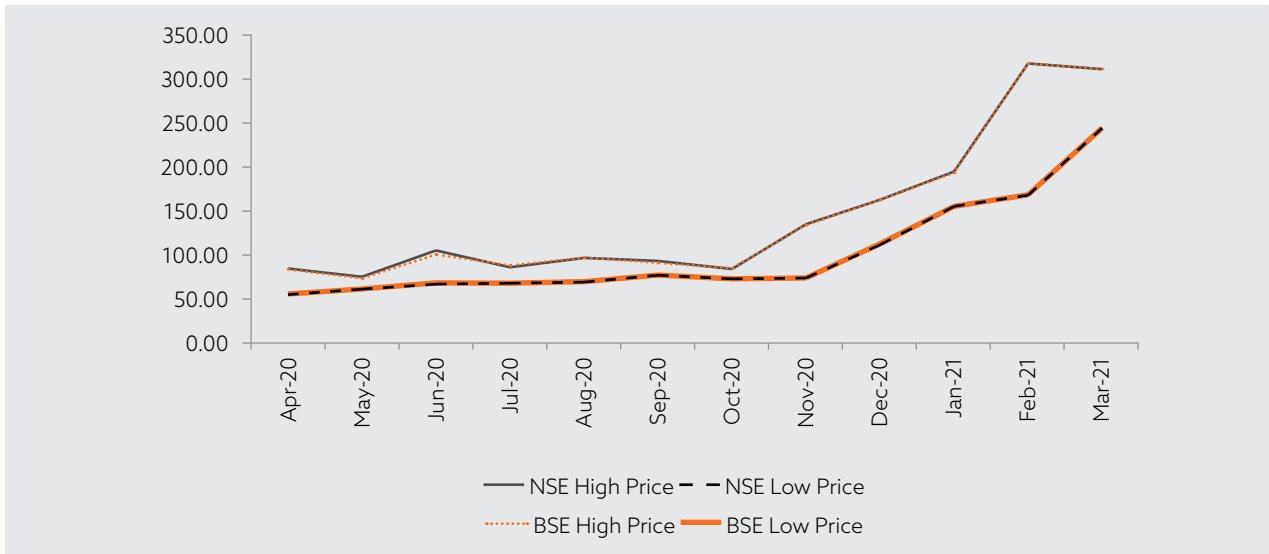
Share Transfer System

The Company has constituted a Share Transfer Committee to consider and approve applications for re-materialisation/transmission/transposition/internal transfer/ issuance of duplicate certificates etc. for physical shares, if any received in future.

Market Price Data

Monthly stock market data of the Company's high-and-low prices of equity shares during FY 2020-21 and their performance, in comparison with the broad-based index, comprise:

Monthly NSE and BSE prices of equity shares



Distribution of Shareholding as on 31 March 2021

Number of Shares held	Shareholders		Shares	
	Number	% of Total	Number	% of Total
Up to 500	22223	80.88	2267382	3.14
501-1,000	1734	6.31	1357743	1.88
1,001-2,000	1308	4.76	1978089	2.74
2,001-3,000	798	2.90	2020262	2.79
3,001-4,000	450	1.64	1578147	2.18
4,001-5,000	283	1.03	1283447	1.77
5,001-10,000	420	1.53	2911695	4.03
10,001 and above	259	0.94	58899630	81.47
Total	27475	100.00	72296395	100.00

Category of Shareholders as on 31 March 2021

Category	No. of Shares of ₹ 2 each	% of Total
Promoter	36949787	51.11
Mutual Fund/UTI	584717	0.81
Alternative Investment Funds	4298576	5.95
Foreign Portfolio Investors/Foreign Institutional Investors	1793214	2.48
Financial Institutions/Banks	1687	0.00
Insurance Companies	159859	0.22
Foreign National	207	0.00
Domestic Companies/Bodies Corporate	3999530	5.53
Non-Resident Individual	2908194	4.02
Others	21600624	29.88
Total	72296395	100.00

Dematerialisation of Shares

Particulars of Shares	Shares of ₹ 2 each	
	Number	% of Total
Dematerialised Form		
National Securities Depository Ltd. (NSDL)	63928947	88.43
Central Depository Services (India) Ltd. (CDSL)	8353669	11.55
Physical Form		
	13779	0.02
Total	72296395	100.00

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

Disclosure in respect of equity shares transferred in the Company's unclaimed suspense account

Details	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1 April 2020	1,245	6,70,312
Aggregate number of shareholders and the shares transferred in the suspense account during the year	Nil	Nil
Shareholders who approached the Company for transfer of shares from suspense account during the year	42	18,013
Shareholders to whom shares were transferred from the suspense account during the year	42	18,013
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 March 2021	1,203	6,52,299

The voting rights on the shares outstanding in the suspense account as on 31 March 2021 shall remain frozen till the rightful owner of such shares claims the shares.

Credit Ratings

The Company has obtained the following credit ratings during the financial year:

Name of the Agency	Facilities	Amount (₹ in Crore)	Rating	Revision, if any
Care Ratings Limited (CARE)	Long term Bank Facilities	168.25 (Enhanced from 159.00)	CARE A+; Stable (Single A Plus; Outlook: Stable)	NA
	Short Term Bank Facilities	85.00 (Enhanced from 20.00)	CARE A1+ (A One Plus)	NA
	Total Facilities	253.25		

H. CODE OF CONDUCT

The Company's Board of Directors laid down and adopted a Code of Conduct under Corporate Governance for all the Directors and the Senior Management Personnel of your Company. The said Code of Conduct has also been posted on the Company's website i.e. www.shilgroup.com. The Board members and Senior Management Personnel have affirmed their compliance with the Code of Conduct for FY 2020-21.

A declaration signed by the Company's Whole-time Director & Chief Executive Officer to this effect is enclosed at the end of this report.

I. CEO AND CFO CERTIFICATION

The Certificate, as required under Regulation 17 (8) of the Listing Regulations, duly signed by the Whole-time Director & Chief Executive Officer and Chief Financial Officer, was placed before the Board, and the same is enclosed to this report and forms part of the Annual Report.

J. CERTIFICATION BY SECRETARIAL AUDITORS

As required under Listing Regulations, M/s. DMK Associates, Company Secretaries, the Company's Secretarial Auditors, have verified the compliances of the Corporate Governance by the Company. We have obtained a Certificate affirming the compliance from M/s. DMK Associates, Company Secretaries, and the same is enclosed to this Report and forms a part of the Annual Report.

DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO) UNDER LISTING REGULATIONS REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Listing Regulations, I hereby confirm that all the Directors and the Senior Management Personnel have affirmed compliance with their respective Code of Conduct, as applicable to them, for the year ended 31 March 2021.

Place: Gurugram
Date: 26 May 2021

Rakesh Kaul
Whole time Director & CEO

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
SOMANY HOME INNOVATION LIMITED
2 RED CROSS PLACE
KOLKATA 700001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Somany Home Innovation Limited** having **CIN: L74999WB2017PLC222970** and having registered office at 2, Red Cross Place, Kolkata-700001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No.	Name of Director	DIN	Date of appointment
1	Mr. Sandip Somany	00053597	28/09/2017
2	Mr. Salil Kumar Bhandari	00017566	14/09/2019
3	Mr. Nand Gopal Khaitan	00020588	14/09/2019
4	Mr. Ashok Jaipuria	00214707	14/09/2019
5	Mr. Rakesh Kaul	08560772	17/09/2019
6	Ms. Anisha Motwani	06943493	11/02/2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DMK Associates
Company Secretaries

(MONIKA KOHLI)
B.Com(H), FCS, LL.B.I.P.

Partner
FCS 5480, C.P. 4936
Peer Review No. 779/2020
UDIN: F005480C000345811

Place: New Delhi
Date: 19 May 2021

CEO/CFO CERTIFICATION

To
The Board of Directors

We hereby certify that:

- a) We have reviewed financial statements and cash flow statement of Somany Home Innovation Limited ('the Company') for the year ended 31 March 2021 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the above said period which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept the responsibility of establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i. significant changes in internal control over financial reporting during the above said period;
 - ii. significant changes in accounting policies during the above said period and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Rakesh Kaul
Whole-time Director & CEO

Naveen Malik
Chief Financial Officer

Place: Gurugram
Date: 26 May 2021

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of

Somany Home Innovation Limited

1. We have examined the compliance of the conditions of Corporate Governance by Somany Home Innovation Limited ("the Company") for the year ended 31 March 2021 as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the designing, implementing and operating effectiveness of internal control to ensure compliance with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations.

Our Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31 March 2021.
6. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DMK Associates
Company Secretaries

(MONIKA KOHLI)
B.Com(H), FCS, LL.B.I.P.

Partner

FCS 5480, C.P. 4936

Peer Review No. 779/2020

UDIN: F005480C000345864

Place: New Delhi
Date: 19 May 2021

Independent Auditor's Report

**To the Members of
Somany Home Innovation Limited**

REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the standalone financial statements of Somany Home Innovation Limited ("the Company"), which comprise the Balance sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its Profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Description of Key Audit Matter	How our audit addressed the key audit matter
<p>1. Sale of Water Heater Business Undertaking</p> <p>The company has sold its Water Heater Business Undertaking (the "WHBU"), being part of Consumer Appliances business of Company, to its wholly owned subsidiary M/s. Hintastica Private Limited (the "HPL") by way of slump sale w.e.f. 31st Dec 2021. (Read with note no.53)</p> <p>Accounting for Provision of tax - capital gain on slump sale to wholly owned subsidiary under the Indian tax laws requires a careful consideration of all facts and circumstances as taxability and exemption depends on fulfilling certain conditions attached to the transfer.</p>	<p>Our audit procedure included checking and review of:</p> <ol style="list-style-type: none"> Resolution passed by the Board of Directors of the Company; Business Transfer Agreement (BTA) executed between the Company and HPL. Share Subscription and Shareholders Agreement ("SSHA") (along with the ancillary agreements) with M/s. Atlantic Societe Francaise De Development Thermique, France; and Regulatory filings made with various regulators / intermediaries including Stock Exchanges. <p>Based on the developments took placed subsequent to the Balance Sheet date i.e. 31st March 2021 whereby the Company ceded its control over HPL (wholly owned subsidiary became Joint venture w.e.f. 20th May 2021), it was considered that the sale of Water Heater Business Undertaking (the "WHBU") to HPL was taxable under the Income Tax Act. Accordingly, the company provided Income tax on slump sale of Water Heater Business Undertaking.</p>

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report

including Annexures to Board's Report, Corporate Governance and Shareholder's Information, 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 standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, 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, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 Companies Act, 2013 we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including

any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the financial year ended 31st March 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the 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 Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of the written representations received from the directors as on March

31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 matter to be included in the Auditors' report under Section 197(16), as amended:

In our opinion and according to the information and explanation given to us, the managerial remuneration paid/provided during the current year by the Company is in accordance with the provisions of Section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 no. 41 to the 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company..

For LODHA & CO.

Chartered Accountants
Firm Registration No. 301051E

(N. K. Lodha)

Partner
Membership No. 85155
UDIN: 21085155AAAACQ8074

Place: New Delhi
Date: 26th May 2021

Annexure – A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Somany Home Innovation Limited on the standalone financial statements for the year ended 31st March 2021, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As per the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
- (c) The company is not having any immovable property, hence reporting under this clause is not applicable.
- (ii) As per the information and explanation given to us, the inventories of the Company (except stock lying with the third parties and goods in transit), have been physically verified by the management at reasonable intervals during the year. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loan to a company covered in the register maintained under section 189 of the Companies Act 2013. The company has not granted any loans, secured or unsecured, to firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (c) There are no overdue amounts of more than 90 days in respect of the loan granted by the company, hence reporting under clause 3(iii)(c) of the Order is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security, wherever applicable.
- (v) The Company has not accepted any deposits from the public within the meaning of the directive issued by the Reserve Bank of India, provision of Section 73 to 76 of the Act, any other relevant provisions of the act and rules framed thereunder, hence, we do not offer any comment on the same. Further, we have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard.
- (vi) 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, the provisions of clause 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 provident fund, employees' state insurance, income tax, sales tax, goods and service tax, custom duty, value added tax, cess and other material statutory dues, with the appropriate authorities to the extent applicable.

With respect to the loan given:

- (a) According to the information and explanations provided to us and based on the audit procedures conducted by us, the rate of interest and other terms and conditions of loan granted by the company are, prima facie, not prejudicial to the interest of the company.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, the loan granted to the company and the interest thereon are repayable as per contractual terms of the loan agreement. The borrowers have been regular in payment of interest as per the contractual terms.
- According to the information and explanation given to us, there is no undisputed amount payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, cess and other material statutory dues as at 31st March 2021, for a period of more than six months from the date they became payable except for ₹ 0.24 lakh of professional tax (since been deposited).

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

Name of Statute	Nature of Due	Period	Amount involved (In Lakh)	Forum where matter is pending
Finance Act 1994	Service Tax	2013-14	37.57	The Hon'ble Supreme Court of India
Maharashtra VAT Act	VAT	2012-13	38.54	Deputy Commissioner of Sales Tax (Appeal), Kalyan Mumbai
Maharashtra CST Act	CST	2012-13	129.00	Deputy Commissioner of Sales Tax (Appeal), Kalyan Mumbai
Haryana VAT Act	VAT	2016-17	266.24	Excise and Taxation Department, Haryana
Haryana CST Act	CST	2016-17	403.97	Excise and Taxation Department, Haryana
Haryana CST Act	CST	2017-18	9.83	Excise & taxation Officer cum Assessing Authority Gurgaon (South)
Gujarat VAT Act	VAT	2014-15	106.20	Deputy Commissioner (Appeal), CCT Ahmedabad, Gujarat

- (viii) According to the records of company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). On the basis of information and explanation given to us, term loans have been applied for the purposes for which they were obtained.
- (x) Based on the audit procedures performed and on the basis of information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) On the basis of records and information and explanations made available and based on our examinations of the records of the company, the company has paid / provided managerial remuneration in accordance with the requisite approvals mandated under Section 197 read with Schedule V of the Act.
- (xii) On the basis of information and explanation given to us, the Company is not a Nidhi Company as prescribed under section 406 of the Companies Act. Accordingly, reporting under clause 3 (xii) of the said order is not applicable.
- (xiii) As per the information and explanations and records made available by the management of the company and audit procedures performed, for the related party transactions entered during the year, the company
- has complied with the provisions of section 177 and 188 of the Act, where applicable. As explained and as per the records / details, the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards. (Refer Note no.44)
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable to the company.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause 3(xvi) of the order is not applicable to the company.

For LODHA & CO.

Chartered Accountants
Firm Registration No. 301051E

(N. K. Lodha)

Partner

Membership No. 85155
UDIN: 21085155AAAACQ8074

Place: New Delhi
Date: 26th May 2021

Annexure – B to the Auditors' 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 Somany Home Innovation Limited ("the Company") as of March 31, 2021 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 Directors 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.

AUDITOR'S 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an

understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit

of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For LODHA & CO.

Chartered Accountants
Firm Registration No. 301051E

(N. K. Lodha)

Partner
Membership No. 85155
UDIN: 21085155AAAACQ8074

Place: New Delhi
Date: 26th May 2021

Standalone Balance Sheet

as at 31 March 2021

(₹ in lakh)

Particulars	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	4	4,878.07	7,871.40
(b) Capital work-in-progress		82.15	251.98
(c) Other intangible assets	5	31.70	37.81
(d) Other intangible assets under development		20.00	-
(e) Financial assets			
(i) Investments	6	187.28	187.28
(ii) Loans	7	411.76	369.48
(f) Income-tax assets (net)		-	0.38
(g) Deferred tax assets (net)	21	2,380.63	3,339.00
(h) Other non-current assets	8	471.31	491.42
Total non-current assets		8,462.90	12,548.75
2 Current assets			
(a) Inventories	9	11,378.08	13,418.69
(b) Financial assets			
(i) Trade receivables	10	15,822.14	11,717.99
(ii) Cash and cash equivalents	11	195.60	40.09
(iii) Bank balances other than (ii) above	12	1.18	-
(iv) Loans	13	620.00	6.82
(v) Other financial assets	14	5,248.44	8.44
(c) Other current assets	15	2,795.63	2,001.53
Total current assets		36,061.07	27,193.56
Total assets		44,523.97	39,742.31
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	16	1,445.93	1,445.93
(b) Other equity	17	9,455.69	7,658.95
Total equity		10,901.62	9,104.88
2 Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	2,275.00	1,425.00
(ii) Other financial liabilities	19	2,240.82	4,532.78
(b) Provisions	20	173.68	166.97
(c) Other non-current liabilities	22	56.39	44.20
Total non-current liabilities		4,745.89	6,168.95
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	9,537.57	12,249.67
(ii) Trade payables			
- Due to micro and small enterprise	24	2,474.77	1,796.96
- Due to others	24	7,523.33	4,670.48
(iii) Other financial liabilities	25	6,854.85	4,786.55
(b) Other current liabilities	26	1,443.53	752.61
(c) Income tax liabilities (net)	36 (d)	776.95	-
(d) Provisions	27	265.46	212.21
Total current liabilities		28,876.46	24,468.48
Total liabilities		33,622.35	30,637.43
Total equity and liabilities		44,523.97	39,742.31

Notes 1 to 56 form an integral part of these standalone financial statements.

In terms of our report attached

For and on behalf of the Board of Directors

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

Rakesh Kaul
Whole Time Director and CEO
DIN: 08560772

Sandip Somany
Chairman
DIN: 00053597

N. K. Lodha
Partner
M. No. 85155
Place: New Delhi
Date: 26 May 2021

Payal M. Puri
Company Secretary
ACS No.: 16068

Naveen Malik
Chief Financial Officer

Place: Gurugram
Date: 26 May 2021

Standalone Statement of Profit and Loss

for the year ended 31 March 2021

(₹ in lakh)			
Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
I Revenue from operations	28	50,311.41	45,143.92
II Other income	29	449.33	2,906.07
III Total income		50,760.74	48,049.99
IV Expenses			
Purchases of stock-in-trade	30	32,154.77	31,150.10
Changes in inventories of stock-in-trade	31	618.20	(2,632.48)
Employee benefits expense	32	5,047.84	4,977.55
Finance costs	33	1,494.07	1,312.94
Depreciation and amortisation expense	34	1,538.11	2,183.20
Other expenses	35	9,775.92	10,804.54
Total expenses		50,628.91	47,795.85
V Profit before exceptional items and tax		131.83	254.14
VI Exceptional items (refer note 53)		3,474.70	-
VII Profit before tax		3,606.53	254.14
VIII Tax expense	36		
(1) Current tax		805.42	-
(2) Deferred tax		936.55	(624.13)
Total tax expense		1,741.97	(624.13)
IX Profit for the year		1,864.56	878.27
X Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plan		62.44	(8.76)
(ii) Income-tax relating to these items		(21.82)	3.06
Other comprehensive income, net of tax		40.62	(5.70)
XI Total comprehensive income for the year		1,905.18	872.57
XII Earnings per equity share (of ₹ 2/- each):			
Basic and diluted	39	2.58	1.21

Notes 1 to 56 form an integral part of these standalone financial statements.

In terms of our report attached.

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For **Lodha & Co**
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Date: 26 May 2021

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Naveen Malik
Chief Financial Officer

Place: Gurugram
Date: 26 May 2021

Standalone Statement of Cash Flows

for the year ended 31 March 2021

(₹ in lakh)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Cash flows from operating activities		
Profit before tax	3,606.53	254.14
Adjustments for:		
Finance costs	1,494.07	1,312.94
Dividend income	-	(2,500.00)
Profit on slump sale of water heater business (refer note 53)	(3,474.70)	-
Interest income	(36.49)	(42.48)
Gain on disposal of property, plant and equipment	(3.52)	(1.50)
Loss on disposal of property, plant and equipment	37.39	0.54
Sundry balances and liabilities no longer required, written back	(210.99)	(202.18)
Provision for expected credit loss	237.46	75.37
Provision for doubtful advances	12.83	1.72
Saving in lease rent	(133.72)	-
Depreciation and amortisation expenses	1,538.11	2,183.20
Net foreign exchange (gain)/loss	(128.56)	39.25
	2,938.41	1,121.00
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(4,389.95)	(3,080.22)
(Increase)/decrease in inventories	618.20	(2,632.47)
(Increase)/decrease in other assets	(836.25)	(460.28)
Increase/(decrease) in trade and other liabilities	7,002.77	3,207.50
Increase/(decrease) in provisions	59.98	186.47
	2,454.75	(2,779.00)
Cash generated from / (used in) operations	5,393.16	(1,658.00)
Income taxes paid	(28.09)	(0.38)
Net cash generated from / (used in) operating activities	5,365.07	(1,658.38)
Cash flows from investing activities:		
Payments to acquire financial assets	-	(20.00)
Interest received	36.53	45.16
Amounts advanced to related parties	(6.79)	(6.27)
Dividend income	-	2,500.00
Payments for property, plant and equipment	(769.20)	(1,131.30)
Proceeds from disposal of property, plant and equipment	18.18	17.55
Movement in other bank balances	(1.18)	2.17
Net Cash generated from / (used in) investing activities	(722.46)	1,407.31
Cash flows from financing activities:		
Repayment of borrowings	(75.00)	-
Loan from related party	1,000.00	-
Loan to Related party	(620.00)	-
Movement in short term borrowings (net)	(2,712.10)	1,875.91
Principal payment of lease liability	(469.34)	(1,061.62)
Dividends paid	(107.26)	-
Interest paid	(1,503.40)	(1,392.90)
Net Cash generated from / (used in) financing activities	(4,487.10)	(578.61)
Net increase / (decrease) in cash and cash equivalents:	155.51	(829.68)
Cash and cash equivalents at the beginning of the year	40.09	869.77
Cash and cash equivalents at the end of the year	195.60	40.09

Standalone Statement of Cash Flows

for the year ended 31 March 2021

The movement in liabilities from financing activities:

Particulars	As at 31st March, 2020	Cashflows	Non-cashflow changes - Other		As at 31st March, 2021
			Foreign exchange	Other	
Long term borrowings	1,500.00	925.00	-	-	2,425.00
Short term borrowings	12,249.67	(2,712.10)	-	-	9,537.57
Total liabilities from financing activities	13,749.67	(1,787.10)	-	-	11,962.57

Particulars	As at 31st March, 2019	Cashflows	Non-cashflow changes - Other		As at 31st March, 2020
			Foreign exchange	Other	
Long term borrowings	1,500.00	-	-	-	1,500.00
Short term borrowings	10,373.76	1,875.91	-	-	12,249.67
Total liabilities from financing activities	11,873.76	1,875.91	-	-	13,749.67

Notes:-

1. Previous year's figures have been re-grouped/ re-arranged wherever necessary.
2. The Cash flow statement has been prepared under the Indirect method as set out in Indian Accounting Standard (Ind As 7) statement of Cash flows.

Notes 1 to 56 form an integral part of these standalone financial statements.

In terms of our report attached

For and on behalf of the Board of Directors

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

Rakesh Kaul
Whole Time Director and CEO
DIN: 08560772

Sandip Somany
Chairman
DIN: 00053597

N. K. Lodha
Partner
M. No. 85155
Place: New Delhi
Date: 26 May 2021

Payal M. Puri
Company Secretary
ACS No.: 16068

Naveen Malik
Chief Financial Officer

Place: Gurugram
Date: 26 May 2021

Standalone Statement of Changes in Equity

for the year ended 31 March 2021

A. EQUITY SHARE CAPITAL

Particulars	Number of shares	(₹ in lakh)
		Amount
Issued and paid up capital		
Balance as at 1st April 2019 *	-	-
Share issue pursuant to the Scheme of arrangement	7,22,96,395	1,445.93
Balance as at 31 March 2020	7,22,96,395	1,445.93
Changes in equity share capital during the year	-	-
Balance as at 31 March 2021	7,22,96,395	1,445.93

*Cancelled pursuant to the Scheme of Arrangement

B. SHARE CAPITAL SUSPENSE ACCOUNT

Particulars	(₹ in lakh)
	Amount
Balance as at 1 April 2019	1,445.93
Share issue pursuant to the Scheme of arrangement	(1,445.93)
Balance as at 1 April 2020	-
Changes in equity share capital during the year	-
Balance as at 31 March 2021	-

C. OTHER EQUITY

Particulars	Reserves and surplus				Other comprehensive income	Total
	Securities Premium Account	Capital Reserve	General Reserve	Retained Earnings	Actuarial gain / (loss)	
	(₹ in lakh)					
Balance as at 1st April 2019	3,325.92	10.00	1,125.22	2,304.73	20.51	6,786.38
Profit for the year	-	-	-	878.27	-	878.27
Other comprehensive income for the year (net of tax)	-	-	-	-	(5.70)	(5.70)
Total comprehensive income for the year	-	-	-	878.27	(5.70)	872.57
Balance as at 31 March 2020	3,325.92	10.00	1,125.22	3,183.00	14.81	7,658.95
Profit for the year	-	-	-	1,864.56	-	1,864.56
Other comprehensive income for the year (net of tax)	-	-	-	-	40.62	40.62
Total comprehensive income for the year	-	-	-	1,864.56	40.62	1,905.18
Dividend paid (refer note 54)	-	-	-	(108.44)	-	(108.44)
Balance as at 31 March 2021	3,325.92	10.00	1,125.22	4,939.12	55.43	9,455.69

Notes 1 to 56 form an integral part of these standalone financial statements.

In terms of our report attached.

For and on behalf of the Board of Directors

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

Rakesh Kaul
Whole Time Director and CEO
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M. No. 85155
Place: New Delhi
Date: 26 May 2021

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Company Secretary
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Naveen Malik
Chief Financial Officer

Place: Gurugram
Date: 26 May 2021

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

1. CORPORATE INFORMATION

Somany Home Innovation Limited (the 'Company') is a public limited company incorporated in India under the Companies Act 2013. The registered office of the Company is situated in Kolkata and the corporate office is in Gurugram. The Company is into the business of selling and trading of Consumer appliances and Retail business. The equity shares of the Company is listed at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

These financial statements were approved and authorized for issue in accordance with the resolution of the Company's Board of Directors on 26th May 2021.

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

A. Application of New Accounting Pronouncements

The Company applied for the first-time amendments to the following standards from 1st April 2020.

i. Amendments to Ind AS 1 and Ind AS 8, Definition of Material:

The amended definition states that, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments to the definition of material are not expected to have a significant impact on the Company's financial statements, nor is there expected to have any future impact to the Company.

ii. Amendments to Ind AS 107 and Ind AS 109, Interest Rate Benchmark Reform:

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are not expected to have a significant impact on the Company's standalone financial statements.

iii. Amendment to Ind AS 116, Covid-19-Related Rent Concessions:

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification.

This amendment had no impact on the standalone financial statements of the Company.

iv. Amendments to Ind AS 103, Business Combination:

These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

B. Changes and revision in Schedule III

MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

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 2021 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

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

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.

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.

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.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

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.

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. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under Employees Provident Fund and Misc. Provisions Act, 1952 and short fall, if any, shall be made good by the company.

In respect of certain employees, contributions are made to a trust administrated by the Company/ employees.

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:

- (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 carried forward over a period in excess of 12 months after the end of the period in which the employee renders

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

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

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement".

The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. The MAT Credit Entitlement is disclosed under the head 'Deferred tax liabilities (net)'.

Deferred tax

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

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

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

3.11 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.

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.

When significant parts of property, plant and equipment are required to be replaced at

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

intervals, the Company recognises the new part and is depreciated accordingly. Further, when major overhauling/ repair are performed, the cost associated with this is capitalised, if the recognition criteria are satisfied, and is then depreciated over the remaining useful life of asset or over the period of next overhauling due, whichever is earlier. All other repair and maintenance costs are recognised in the statement of profit and loss as and when incurred.

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

Intangible Assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. All other expenditure is expensed as incurred. The same are amortised over the expected duration of benefits. Such intangible assets are measured at cost less any accumulated amortisation and impairment losses, if any and are amortised over their respective individual estimated useful life on straight line method. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

(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.

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 - 10 years*
Furniture and fixtures**	5 - 10 years
Office equipment	3 - 5 years
Computer	3-6 years
Vehicles	8 years***
Intangible assets	
Software	6 years

* Moulds are parts of consumer appliances business of the Company, included in plant and machinery, are depreciated over a life of 10 years, which is different from life prescribed in schedule II of the Act, based on independent chartered engineer certificate.

** inclusive of wooden pallets

*** Vehicles are being depreciated using written down value method as per life of 8 years mentioned in Schedule II of the Act, having residual value upto 10% at the end of the useful life of the asset.

3.15 Impairment of property, plant and equipment

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 & Subsidiaries

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

3.17 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.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

3.18 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. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.19 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.

3.20 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.

3.21 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.

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 current financial liabilities when the dividends have been approved in a general meeting prior to the reporting date.

3.22 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.

3.23 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.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

3.24 Financial instruments

I. Financial assets

a. Initial recognition and measurement

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

b. Subsequent measurement

(i) Financial assets carried at amortised cost

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

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

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

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

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

c. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets measured at amortised cost and assets measured at

fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37 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

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Changes in the amortised value of liability are recorded as finance cost.

III. Fair value of financial instruments

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

IV. Offsetting of financial instruments

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

3.25 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.

3.26 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.

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for the year ended 31 March 2021

(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.

(vi) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

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Description of assets	Buildings	Leasehold improvements	Right to use - Building*	Plant and equipment	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
I. Gross block									
Balance as at 1 April 2019	1.02	1,128.13	-	1,523.20	457.05	2,164.56	487.93	151.71	5,913.60
Additions	-	4.04	6,446.61	922.29	37.92	40.87	46.05	68.11	7,565.89
Disposals/adjustment	(1.02)	(481.76)	-	(4.03)	(193.44)	(945.70)	(197.94)	(49.23)	(1,873.12)
Balance as at 31 March 2020	-	650.41	6,446.61	2,441.46	301.53	1,259.73	336.04	170.59	11,606.37
Additions	-	320.08	30.96	426.99	34.49	54.89	110.95	(11.22)	978.36
Disposals/adjustment	-	(34.24)	(3,174.55)	(404.10)	(115.14)	(521.00)	(65.98)	(11.22)	(4,326.23)
Balance as at 31 March 2021	-	936.25	3,303.02	2,464.35	220.88	793.62	381.01	159.37	8,258.50
II. Accumulated depreciation and amortisation									
Balance as at 1 April 2019	-	730.64	-	244.31	403.21	1,596.86	379.72	94.88	3,449.62
Depreciation and amortisation charge for the year	-	74.86	1,342.70	227.47	24.71	146.92	56.02	21.07	1,893.75
Disposals/adjustment	-	(481.76)	-	15.95	(193.44)	(944.69)	(193.31)	(59.28)	(1,856.53)
Impairment	-	39.08	-	0.50	6.80	201.51	0.24	-	248.13
Balance as at 31 March 2020	-	362.82	1,342.70	488.23	241.28	1,000.60	242.67	56.67	3,734.97
Depreciation and amortisation charge for the year	-	68.30	766.29	284.96	23.21	57.69	59.73	26.91	1,287.09
Disposals/adjustment	-	(33.96)	(1,113.18)	(81.44)	(114.19)	(476.33)	(46.86)	(4.88)	(1,870.84)
Impairment	-	183.37	-	-	5.94	39.90	-	-	229.21
Balance as at 31 March 2021	-	580.53	995.81	691.75	156.24	621.86	255.54	78.70	3,380.43
Net block (I-II)									
Balance as at 31 March 2021	-	355.72	2,307.21	1,772.60	64.64	171.76	125.47	80.67	4,878.07
Balance as at 31 March 2020	-	287.59	5,103.91	1,953.23	60.25	259.13	93.37	113.92	7,871.40

* Refer note 55

Refer note 18 for details of property, plant and equipment pledged as security by the company.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

NOTE 5 - OTHER INTANGIBLE ASSETS

Description of assets	(₹ in lakh)	
	Computer software	Total
I. Gross block		
Balance as at 1 April 2019	390.27	390.27
Additions	0.89	0.89
Disposals/adjustment	(176.08)	(176.08)
Balance as at 31 March 2020	215.08	215.08
Additions	-	-
Disposals/adjustment	110.32	110.32
Balance as at 31 March 2021	325.40	325.40
II. Accumulated amortisation		
Balance as at 1 April 2019	312.03	312.03
Amortisation charge for the year	41.03	41.03
Disposals/adjustment	(176.08)	(176.08)
Impairment	0.29	0.29
Balance as at 31 March 2020	177.27	177.27
Amortisation charge for the year	21.81	21.81
Disposals/adjustment	94.62	94.62
Balance as at 31 March 2021	293.70	293.70
Net block (I-II)		
Balance as at 31 March 2021	31.70	31.70
Balance as on 31 March 2020	37.81	37.81

NOTE 6 - NON CURRENT INVESTMENTS

Particulars	(₹ in lakh)			
	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
Unquoted investments (fully paid-up) (at cost)				
Hindware Home Retail Private Limited (face value ₹ 10 each)	6,40,000	8.72	6,40,000	8.72
Luxxis Heating Solution Ltd (face value ₹ 10 each)	2,00,000	20.00	2,00,000	20.00
Brilloca Limited (face value ₹ 2 each) *	2,45,00,000	10.00	5,00,000	10.00
Hintastica Private Limited (face value ₹ 10 each)	2,00,000	20.00	2,00,000	20.00
Equity component in debt instruments of subsidiaries				
Hindware Home Retail Private Limited		128.56		128.56
Unquoted investments		187.28		187.28
Total investments carried at cost		187.28		187.28
*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.				
Other disclosures				
Aggregate book value of quoted investments		-		-
Aggregate amount of market value of quoted investments		-		-
Aggregate amount of unquoted investments		187.28		187.28

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

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NOTE 7 - NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
(unsecured and considered good unless otherwise specified, as considered by the management)		
Security deposits *	320.64	285.15
Loans to related parties (refer note 44)	91.12	84.33
	411.76	369.48

* Including of HSIL Limited of ₹ 12.07 Lakh (previous year ₹ Nil)

NOTE 8 - OTHER NON-CURRENT ASSETS

(₹ in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
(unsecured and considered good, unless stated otherwise, as considered by the management)		
Capital advances	188.60	236.34
Balances with government authorities *	282.71	255.08
	471.31	491.42

* including amount paid/deposited against legal cases.

NOTE 9 - INVENTORIES

(₹ in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
(At cost or net realisable value, whichever is lower)		
Stock-in-trade of goods acquired for trading	11,378.08	13,418.69
	11,378.08	13,418.69

Notes:

Refer note 23 for information on inventory hypothecated as security by the Company.

NOTE 10 - TRADE RECEIVABLES

(₹ in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Secured, considered good	160.47	137.10
Unsecured, considered good*	15,661.67	11,580.89
Trade Receivables -Credit impaired	543.45	305.99
	16,365.59	12,023.98
Less: Provision for impairment/Expected credit loss	543.45	305.99
	15,822.14	11,717.99

* Including of Hintastica Private Limited of ₹ 265.96 Lakh (previous year ₹ Nil)

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

(₹ in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	305.99	230.62
Expected credit losses provided for during the year (Refer note 35)	237.46	75.37
	543.45	305.99

Trade receivables are hypothecated against the borrowings obtained by the Company as referred in note 23

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

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NOTE 11 - CASH AND CASH EQUIVALENTS

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
Balances with banks	193.43	35.24
Cheques, drafts on hand	0.34	-
Cash on hand	1.83	3.25
Remittance in transit	-	1.60
	195.60	40.09

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

NOTE 12 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
Earmarked balances with banks		
Unpaid dividends accounts *	1.18	-
	1.18	-

* Not due for deposit in investor education and protection fund

NOTE 13 - CURRENT FINANCIAL ASSETS - LOANS

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
(unsecured and considered good by the management)		
Loan to related party (also refer note 44)	620.00	-
Security deposit	-	6.82
	620.00	6.82

NOTE 14 - CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
(unsecured and considered good by the management)		
Other financial assets		
Other receivable *	5,248.44	8.40
Interest accrued on deposits, loans and advances	-	0.04
	5,248.44	8.44

* Includes receivable from Hintastica Private Limited ₹ 5,248.44 lakh (Previous year Nil)

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

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NOTE 15 - OTHER CURRENT ASSETS

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
(unsecured and considered good by the management)		
Prepaid expenses	30.63	28.09
Balances with government authorities	1,717.07	1,292.32
Others		
- Advance to suppliers	999.30	630.04
Considered doubtful	29.97	17.14
Less: Provision against Advance to Vendors	(29.97)	(17.14)
- Employee advances	12.50	35.34
- Other current assets	36.13	15.74
Considered doubtful	1.08	1.08
Less: Provision for doubtful advances	(1.08)	(1.08)
	2,795.63	2,001.53

NOTE 16 - EQUITY SHARE CAPITAL

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	(₹ in lakh)	No. of shares	(₹ in lakh)
Authorised:				
Equity shares of ₹ 2 each	7,50,00,000	1,500.00	7,50,00,000	1,500.00
Issued:				
Equity shares of ₹ 2 each	7,22,96,395	1,445.93	7,22,96,395	1,445.93
Subscribed and fully paid:				
Equity shares of ₹ 2 each	7,22,96,395	1,445.93	7,22,96,395	1,445.93
	7,22,96,395	1,445.93	7,22,96,395	1,445.93

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	(₹ in lakh)	No. of shares	(₹ in lakh)
Equity shares outstanding at the beginning of the year	7,22,96,395	1,445.93	-	-
Add: Share issue pursuant to the Scheme of arrangement (refer note (e) below)	-	-	7,22,96,395	1,445.93
Equity shares outstanding at the end of the year	7,22,96,395	1,445.93	7,22,96,395	1,445.93

(b) 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.

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% of holding	No. of shares	% of holding
Somany Impresa Limited (Formerly Known as Paco Exports Limited)	3,04,79,968	42.16	2,98,29,968	41.26
HDFC Trustee Co Ltd A/C Hdfc Housing Opportunities Fund-1140D November 2017 (1)	-	-	43,23,984	5.98
Sundaram Mutual Fund A/C Sundaram Emerging Small Cap - Series I	-	-	39,07,209	5.40

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

- (d) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus shares and bought back during the last 5 years.
- (e) Pursuant to the Scheme of arrangement the Company had issued 7,22,96,395 Equity Shares to the Shareholders of HSIL Limited. On 23rd August 2019 (Allotment date) Somany Home innovation Limited had issued one equity share for every equity share held of HSIL Limited on the date of 20th August 2019 (Record date) for consideration other than cash.

NOTE 17 - OTHER EQUITY

Particulars	Reserves and surplus				Other comprehensive income	Total
	Securities premium account	Capital reserve	General reserve	Retained earnings	Actuarial gain / (loss)	
Balance as at 1st April 2019	3,325.92	10.00	1,125.22	2,304.73	20.51	6,786.38
Profit for the year	-	-	-	878.27	-	878.27
Other comprehensive income for the year (net of tax)	-	-	-	-	(5.70)	(5.70)
Total comprehensive income for the year	-	-	-	878.27	(5.70)	872.57
Balance as at 31 March 2020	3,325.92	10.00	1,125.22	3,183.00	14.81	7,658.95
Profit for the year	-	-	-	1,864.56	-	1,864.56
Other comprehensive income for the year (net of tax)	-	-	-	-	40.62	40.62
Total comprehensive income for the year	-	-	-	1,864.56	40.62	1,905.18
Dividend paid (refer note 54)	-	-	-	(108.44)	-	(108.44)
Balance as at 31 March 2021	3,325.92	10.00	1,125.22	4,939.12	55.43	9,455.69

Nature and purpose of other reserves:

- Capital reserve is created on cancellation of equity shares consequent to the Scheme of Arrangement approved by the National Company Law Tribunal
- 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.
- General reserves was created by transferring certain amount out of profits at the time of distribution of dividend in the past.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

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NOTE 18 - NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Measured at amortised cost		
Secured:		
Term loan from bank:		
Rupee loan	1,425.00	1,500.00
Unsecured:		
Inter corporate loan from related party (refer note 44)	1,000.00	-
	2,425.00	1,500.00
Less: Current maturities of long term borrowings (Refer note 25)	150.00	75.00
	2,275.00	1,425.00

Terms and conditions of outstanding borrowings are as follows:

Particulars	Currency	Year of maturity	Interest Rate	Carrying amount as at 31 March 2021	Carrying amount as at 31 March 2020	Remarks
Secured loan from bank - rupee loans	₹	2026-27	1 year MCLR + 8 bps	1,425.00	1,500.00	Refer note 1 below
Unsecured Loan - Loan from related party	₹	2023-24	9.00% p.a.	1,000.00	-	Refer note 2 below

Note:

- Rupee Loan having carrying amount of ₹ 1,425 lakh is secured by First Pari Passu Charge on Movable Fixed Assets (PPE) of the company, repayable in 12 half yearly installments from June 2021 to December 2026.
- Inter Corporate Loan of ₹ 1,000 lakh has been received from M/s Brilloca Limited (it's wholly owned subsidiary), repayable after three years from the date of first disbursement.

NOTE 19 - NON-CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

(₹ in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Trade deposits	205.32	179.25
Lease liability (Refer note 46)	2,035.50	4,353.53
	2,240.82	4,532.78

NOTE 20 - NON-CURRENT LIABILITIES - PROVISIONS

(₹ in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Long-term employee benefits		
Provision for Provision for compensated absences (Refer note 38)	155.70	150.12
Provision for long service award	17.98	16.85
	173.68	166.97

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

NOTE 21 - DEFERRED TAX ASSETS (NET)

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
Deferred tax asset arising on account of		
Deferred tax on business losses	1,770.69	2,037.64
Difference between book balance and tax balance of property, plant and equipment	359.23	1,133.74
Provision for doubtful debts and loans and advances	200.75	112.91
Provision for employee benefits	34.76	54.71
Others	15.20	-
	2,380.63	3,339.00
Deferred tax liabilities	-	-
Deferred tax assets (net)	2,380.63	3,339.00

Deferred tax liability (net) in relation to:

Particulars	(₹ in lakh)			
	As at 1 April 2020	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2021
Deferred tax asset arising on account of				
Deferred tax on business losses	2,037.64	(266.95)	-	1,770.69
Difference between book balance and tax balance of property, plant and equipment	1,133.74	(774.51)	-	359.23
Provision for doubtful debts and loans and advances	112.91	87.84	-	200.75
Provision for employee benefits	54.71	1.87	(21.82)	34.76
Others	-	15.20	-	15.20
Sub total	3,339.00	(936.55)	(21.82)	2,380.63
Net deferred tax assets	3,339.00	(936.55)	(21.82)	2,380.63

Deferred tax liability (net) in relation to:

Particulars	(₹ in lakh)			
	As at 1 April 2019	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2020
Deferred tax asset arising on account of				
Deferred tax on business losses	1,290.69	746.95	-	2,037.64
Difference between book balance and tax balance of property, plant and equipment	1,302.43	(168.69)	-	1,133.74
Provision for doubtful debts and loans and advances	86.35	26.56	-	112.91
Provision for employee benefits	32.34	19.31	3.06	54.71
Sub total	2,711.81	624.13	3.06	3,339.00
Net deferred tax assets	2,711.81	624.13	3.06	3,339.00

NOTE 22 - OTHER NON-CURRENT LIABILITIES

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
Employee related payables	56.39	44.20
	56.39	44.20

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NOTE 23 - CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
Secured borrowings		
From banks		
Cash credit - loans repayable on demand	587.57	3,649.67
Working capital demand loan	8,950.00	8,600.00
	9,537.57	12,249.67

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

Secured borrowings

a) Cash credit facilities:

Cash credit facilities from banks is repayable on demand and is secured by hypothecation of all current assets including stocks and book debts, present and future, of the Company.

b) Short term loan facilities:

Working capital demand loan from banks repayable within 11 days to 54 days from disbursement and is secured by hypothecation of all current assets including stocks and book debts, present and future, of the Company.

c) The interest rate for the above short term borrowings varies from 5.05% p.a. to 9.50% p.a.

NOTE 24 - TRADE PAYABLES

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
- dues of micro and small enterprises	2,474.77	1,796.96
- dues of other than micro and small enterprises*	7,523.33	4,670.48
	9,998.10	6,467.44

* Including of HSIL Limited of ₹ 1,306.05 Lakh (previous year ₹ 1,325.63 lakh) and Brilloca Limited of ₹ 1.71 Lakh (previous year ₹ Nil)

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 2021	As at 31 March 2020
Principal amount overdue and remaining unpaid to any supplier	1,023.05	1,578.80
Interest due thereon remaining unpaid to any supplier	16.03	170.07
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	148.77	Nil
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	211.40	Nil
Interest accrued and remaining unpaid	227.43	170.07

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NOTE 25 - CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
Current maturities of long-term borrowings (Refer note 18)	150.00	75.00
Interest accrued but not due on borrowings	24.01	33.34
Unclaimed dividend ^	1.18	-
Security deposits/Retention money	52.61	39.41
Others		
Employee related payables	730.05	548.42
Towards expenses payable *	5,408.55	3,114.35
Commission payable to directors	5.16	6.01
Gratuity payable (net of obligation)	24.74	39.26
Lease liability (Refer note 46)	458.55	930.76
	6,854.85	4,786.55

^ Not due for deposit in Investors Education and Protection Fund

* Including of HSIL Limited of ₹ 661.07 Lakh (previous year ₹ 436.19 lakh) Brilloca Limited of ₹ 983.25 Lakh (previous year ₹ 651.78 lakh)

NOTE 26 - OTHER CURRENT LIABILITIES

Particulars	(₹ in lakh)	
	As at 31 March 2020	As at 31 March 2020
Advances received from customers	203.12	349.89
Payable towards statutory dues	1,163.60	376.84
Other payable	76.81	25.88
	1,443.53	752.61

NOTE 27 - CURRENT LIABILITIES - PROVISIONS

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Long-term employee benefits		
Provision for compensated absences (Refer note 38)	6.25	6.45
Provision for Long service award	1.30	1.35
Provision for warranty	257.91	204.41
	265.46	212.21
Movement in warranty provisions		
Balance as at the beginning of year	204.41	73.75
Additional provisions recognised (included in Other expenses)	53.50	130.66
Utilised during the year	-	-
Balance as at the end of year	257.91	204.41

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, services 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 2 years.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

NOTE 28 - REVENUE FROM OPERATIONS

(₹ in lakh)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
i) Revenue from operations		
Sale of goods	49,637.43	44,886.71
Revenue from rendering of services	174.76	-
Other operating revenue @	499.22	257.21
	50,311.41	45,143.92
Segment wise revenue information		
a) Consumer appliances business	45,243.06	36,157.95
b) Retail business	5,063.69	8,985.97
c) Others	4.66	-
Total	50,311.41	45,143.92
Total income from operations	50,311.41	45,143.92
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	203.12	349.89
iii) Reconciliation of contract price vis a vis revenue recognised in profit and loss statement is as follows:-		
Contract Price		
a) Sale of goods	55,727.54	47,285.90
b) Revenue from rendering of services	174.76	-
c) Other operating revenue	499.22	257.21
Adjustment:-		
Discount/Rebate	6,090.11	2,399.19
Revenue recognised in the statement of profit and loss account	50,311.41	45,143.92
@ Other operating revenues comprise of:		
Sundry balances and liabilities no longer required, written back	210.99	202.18
Gain on foreign exchange fluctuations	128.56	-
Insurance claims received	159.67	55.03
	499.22	257.21

NOTE 29 - OTHER INCOME

(₹ in lakh)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income on financial assets	36.49	42.48
Profit on sale of property, plant and equipment	3.52	1.50
Dividend income	-	2,500.00
Miscellaneous income	409.32	362.09
	449.33	2,906.07

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

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NOTE 30 - PURCHASES OF TRADED GOODS

Particulars	(₹ in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Consumer appliances home furnishing and others	32,154.77	31,150.10
	32,154.77	31,150.10

NOTE 31 - CHANGES IN INVENTORIES OF STOCK-IN-TRADE

Particulars	(₹ in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventories at the end of the year:		
Stock-in-trade	11,378.08	13,418.69
	11,378.08	13,418.69
Inventories at the beginning of the year:		
Stock-in-trade	13,418.69	10,786.21
Inventory transferred on account of slump sale	(1,422.41)	-
	11,996.28	10,786.21
Changes in inventories of stock-in-trade	618.20	(2,632.48)

NOTE 32 - EMPLOYEE BENEFITS EXPENSE

Particulars	(₹ in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	4,531.07	4,429.18
Contribution to provident funds and other funds	237.30	221.82
Staff welfare expenses	279.47	326.55
	5,047.84	4,977.55

NOTE 33 - FINANCE COSTS

Particulars	(₹ in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on financial liabilities	1,108.80	880.40
Interest on lease liability (Refer note 46)	315.50	391.18
Other interest expense	69.77	41.36
	1,494.07	1,312.94

NOTE 34 - DEPRECIATION AND AMORTISATION

Particulars	(₹ in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation and amortisation of Property, plant and equipments (Refer note 4)	750.01	799.18
Amortisation of other intangible assets (Refer note 5)	21.81	41.32
Depreciation on right to use - Building (Refer note 4)	766.29	1,342.70
	1,538.11	2,183.20

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

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NOTE 35 - OTHER EXPENSES

(₹ in lakh)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Power and fuel	71.74	186.87
Consumption of packing material	105.86	157.96
Repairs and maintenance:		
Buildings	-	15.38
Others	50.03	43.52
Rent (including hire charges)	332.86	376.44
Rates and taxes	9.93	0.79
Directors sitting fees	11.15	2.25
Insurance	87.58	54.44
Travelling and conveyance	415.40	721.75
Advertisement and publicity	2,839.88	4,319.12
Transportation and forwarding	2,989.89	2,535.70
Sales promotion expenses	292.27	311.07
Other selling expenses	963.68	774.26
Auditor's remuneration	17.00	18.00
Provision for expected credit loss (Refer note 10)	237.46	75.37
Provision for doubtful advances/debts	12.83	1.72
Loss on foreign exchange fluctuation	-	33.31
Loss on sale of property, plant and equipment	37.39	0.54
Management Fees	409.32	47.72
Miscellaneous expenses	891.65	1,128.33
	9,775.92	10,804.54

NOTE 36 CURRENT TAX AND DEFERRED TAX

(a) Income tax expense through profit and loss

(₹ in lakh)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax:		
Current income tax charge (including Minimum alternate tax)	805.42	-
	805.42	-
Deferred tax:		
In respect of current year origination and reversal of temporary differences	936.55	(624.13)
Total tax expense recognised in profit and loss account	1,741.97	(624.13)

(b) Income tax on other comprehensive income

(₹ in lakh)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Deferred Tax		
Re-measurement of defined benefit obligations	(21.82)	3.06
	(21.82)	3.06

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

(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 34.944 % (31 March 2020: 34.944%) and the reported tax expense in the statement of profit and loss are as follows:

Particulars	(₹ in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	3,606.53	254.14
Domestic tax rate for the Company	34.944%	34.944%
Latest statutory enacted income tax for the Company	1,260.26	88.80
Tax effect of:		
- Non deductible expenses	100.83	157.65
- Exempt income	-	(873.60)
- Goodwill impact (refer note (g) below)	866.22	-
- Rate difference for regular tax and capital gain tax	(402.71)	-
Others	(82.63)	3.02
Income-tax recognised in statement of profit and loss	1,741.97	(624.13)

(d) Income tax liabilities (net)

Particulars	(₹ in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Income tax liabilities (net)	776.95	-
	776.95	-

- (e) There is no change in statutory enacted income-tax rate during the financial year.
- (f) There is no temporary differences associated with investment in subsidiaries.
- (g) Pursuant to Finance Act 2021 disallowing the amortization of goodwill, The company during the year ended 31st March 2021, de-recognized the deferred tax benefits of ₹ 866.22 lakh.

NOTE - 37 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 & 23 and net off cash and cash equivalents as disclosed in note 11 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 Audit Committee and the Board of Directors.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

The following table summarises the capital of the Company

Particulars	Note	(₹ in lakh)	
		As at 31 March 2021	As at 31 March 2020
Equity		10,901.62	9,104.88
Liquid assets (cash and cash equivalent and current investments) (a)		195.60	40.09
Current borrowings	23	9,537.57	12,249.67
Non-current borrowings	18	2,275.00	1,425.00
Current maturities of non current borrowings	25	150.00	75.00
Total debt (b)		11,962.57	13,749.67
Net debt [c = (b) - (a)]		11,766.97	13,709.58
Total capital (equity+net debt)		22,668.59	22,814.46
Gearing ratio			
Debt to equity		110%	151%
Net debt to equity ratio		108%	151%

Categories of financial instruments

Categories of financial assets/(liabilities)

Particulars	Note	As at 31 March 2021			As at 31 March 2020		
		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	10	15,822.14	-	-	11,717.99	-	-
Loans	7,13	1,031.76	-	-	376.30	-	-
Other financial assets	14	5,248.44	-	-	8.44	-	-
Cash and bank balances	11, 12	196.78	-	-	40.09	-	-
Investments	6	187.28	-	-	187.28	-	-
Total Financial assets measured at amortised costs		22,486.40	-	-	12,330.10	-	-
Financial assets measured at fair value							
Investments		-	-	-	-	-	-
Derivative contracts		-	-	-	-	-	-
Financial assets at fair value		-	-	-	-	-	-
Total financial assets		22,486.40	-	-	12,330.10	-	-
Financial liabilities							
Financial liabilities measured at amortised cost							
Current payables	23, 24, 25	26,390.52	-	-	23,503.66	-	-
Non-current payables	19	2,240.82	-	-	4,532.78	-	-
Non-current borrowings	18	2,275.00	-	-	1,425.00	-	-
Financial liabilities measured at amortised cost		30,906.34	-	-	29,461.44	-	-
Total financial assets/(liabilities)		(8,419.94)	-	-	(17,131.34)	-	-

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

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.

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

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

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

Ageing of past due trade receivables

(₹ in lakh)

Period	As at 31 March 2021	As at 31 March 2020
Not due for payment	5,297.68	2,407.40
Up to 6 months	8,380.09	8,557.77
From 6 months to 1 year	1,100.21	435.21
From 1 year to 3 years	1,255.70	454.47
More than 3 years	331.91	169.13

Ageing of impaired trade receivables

(₹ in lakh)

Period	As at 31 March 2021	As at 31 March 2020
Up to 6 months	-	-
From 6 months to 1 year *	8.34	75.37
From 1 year to 3 years	203.20	61.49
More than 3 years	331.91	169.13

* 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.

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.

(₹ in lakh)

Particulars	As at 31 March 2021				Total
	Note	not later than one year	later than one year and not later than five years	later than five years	
Financial liabilities					
Borrowings - bank loans	18,23 & 25	9,687.57	1,900.00	375.00	11,962.57
Current payables	24 & 25	16,876.63	-	-	16,876.63
Non-current payables	19	-	1,788.79	901.32	2,690.11
Total		26,564.20	3,688.79	1,276.32	31,529.31

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

(₹ in lakh)

Particulars	Note	As at 31 March 2020			Total
		not later than one year	later than one year and not later than five years	later than five years	
Financial liabilities					
Borrowings - bank loans	18,23 & 25	12,324.67	825.00	600.00	13,749.67
Current payables	24 & 25	11,558.58	-	-	11,558.58
Non-current payables	19	-	4,519.96	905.37	5,425.33
Total		23,883.25	5,344.96	1,505.37	30,733.58

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 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 GBP. The Company 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:

(in lakh)

Particulars	Currency	As at 31 March 2021	As at 31 March 2020
Trade receivables	USD	-	2.97
Trade payables	USD	37.86	10.81
	EUR	0.49	0.99

(in lakh)

Currency rate	As at 31 March 2021	As at 31 March 2020
USD	73.5047	75.3859
EUR	86.0990	83.0496

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

(in lakh)

Particulars	Currency	As at 31 March 2021	As at 31 March 2020
Trade receivables	USD	-	2.97
Trade payables	USD	37.86	10.81
	EUR	0.49	0.99

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Sensitivity analysis

The following table demonstrates the sensitivity of profit and equity in USD, Euro and GBP 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:

(₹ in lakh)			
Currency	Change in currency exchange rate	Effect on profit before tax 31 March 2021	Effect on profit before tax 31 March 2020
USD	5%	(139.15)	(29.52)
	-5%	139.15	29.52
EUR	5%	(2.10)	(4.12)
	-5%	2.10	4.12

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:

(₹ in lakh)			
Particulars	Change in interest rate	Effect on profit before tax 31 March 2021	Effect on profit before tax 31 March 2020
Long term borrowings from bank	+0.5%	(7.13)	(7.50)
	-0.50%	7.13	7.50

Commodity risk

The Company is exposed to the movement in the price of traded goods in the domestic and international markets. The Company has in place policies to manage exposure to fluctuation in prices of 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 37B - FAIR VALUE MEASUREMENT

Fair valuation techniques and inputs used

Financial liabilities	Fair value as at (₹ in lakh)		Fair value hierarchy	Valuation technique and key input
	As at 31 March 2021	As at 31 March 2020		
Corporate guarantee	-	-	3	Option pricing method of income approach

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

NOTE 38 - 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 ₹ 160.50 lakh (previous year ₹ 168.17 Lakhs) 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 2021	31 March 2020
Current service cost	46.01	46.14
Net interest expense/(income)	1.91	(0.33)
Components of defined benefit costs recognised in profit or loss	47.92	45.81
Net actuarial (gain)/loss	(2.30)	14.63
Expected return on plan assets excluding interest income	(60.14)	(5.87)
Components of defined benefit costs recognised in other comprehensive income	(62.44)	8.76
I. Net asset/(liability) recognised in the balance sheet as at 31 March		
1. Present value of defined benefit obligation	203.02	171.78
2. Fair value of plan assets	178.28	132.52
3. Deficit	24.74	39.26
4. Current portion of the above	24.74	39.26
II. Change in the obligation during the year ended 31 March		
1. Present value of defined benefit obligation at the beginning of the year	171.78	113.86
2. Expenses recognised in the statements of profit and loss		
- Current service cost	46.01	46.14
- Interest expense	11.12	7.24
3. Recognised in other comprehensive income		
Premeasurement (gains) / losses		
- Actuarial (gain)/loss arising from experience adjustments	6.31	(6.93)
- Actuarial (gain)/loss arising from financial assumption	(8.61)	21.56
4. Benefit payments	(23.59)	(10.09)
Present value of defined benefit obligation at the end of the year	203.02	171.78

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

(₹ in lakh)

Particulars	Funded plan	
	Gratuity	
	31 March 2021	31 March 2020
III. Change in fair value of assets		
1. Fair value of plan assets at the beginning of the year	132.52	113.89
2. Recognised in the statement profit and loss		
- Expected return on plan assets	9.21	7.56
3. Recognised in other comprehensive income		
- Actual return on plan assets in excess of the expected return	60.14	5.87
4. Contributions by employer (including benefit payments recoverable)	-	15.29
5. Benefit payments	(23.59)	(10.09)
Fair value of plan assets at the end of the year	178.28	132.52

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 2021	31 March 2020
1. Discount rate	6.95%	6.65%
2. Expected rate of increase in compensation level	6.50%	6.50%
3. Expected rate of return on plan assets	6.95%	6.65%
4. Attrition rate	1.00%	1.00%
5. Mortality table	IALM 2012-14	IALM 2006-08
6. Superannuation age	58	58

VI. Sensitivity analysis

(₹ In lakh)

Particulars	31 March 2021		31 March 2020	
	Change in assumption	Effect on gratuity obligation	Change in assumption	Effect on gratuity obligation
Discount rate	0.50%	(13.34)	0.50%	(11.82)
	-0.50%	14.62	-0.50%	12.98
Expected rate of increase in compensation level	0.50%	13.67	0.50%	12.10
	-0.50%	(12.76)	-0.50%	(11.42)

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:

(₹ in lakh)

	FY 2020-21	FY 2019-20
1. Defined benefit obligation	203.02	171.78
2. Fair value of plan assets	178.28	132.52
3. Surplus/(deficit)	(24.74)	(39.26)
4. Experience adjustment on plan liabilities gain/(loss)	(6.31)	6.93

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

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.

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

Particulars	(₹ in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Amounts recognised in the balance sheet		
Non current (Refer note 20)	155.70	150.12
Current (Refer note 27)	6.25	6.45
	161.95	156.57
Amounts recognised in the statement of profit and loss		
Current service cost	42.65	48.68
Interest cost	10.64	9.10
Actuarial loss	19.29	29.18
Total included in employee benefits expense	72.58	86.96
Reconciliation of opening and closing balances of benefit obligations		
Change in benefit obligation		
Defined benefit obligation at the beginning of the year	156.57	118.95
Interest cost	10.64	9.10
Current service cost	42.65	48.68
Benefits paid	(67.20)	(49.34)
Actuarial loss	19.29	29.18
Defined benefit obligation at the end of the year	161.95	156.57

The average duration of remaining working life at the end of the reporting period is 17.51 years (Previous year 17.81 years)

NOTE 39 - EARNINGS PER SHARE

Particulars	(₹ in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit for the year attributable to owners of the Company (₹ in lakh)	1,864.56	878.27
Weighted average number of equity shares (nos.)	7,22,96,395	7,22,96,395
Nominal value per share (₹)	2.00	2.00
Earnings per share - basic and diluted (₹)	2.58	1.21

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 40. SEGMENT INFORMATION

Segment information, as required under Ind AS 108 "Operating Segment", has been provided in the consolidated financial statements of the company and therefore, no separate disclosure on segment information is given in these standalone financial statements.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

NOTE - 41 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

(₹ in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
a) Demands raised by the service-tax authorities against which appeals have been filed	77.77	77.77
b) Demands raised by the sales tax authorities against which appeal filed	968.82	-
c) Claims against the Company not acknowledged as debts	191.11	80.61
d) Goods and service tax	189.42	-

NOTE - 42 CAPITAL AND OTHER COMMITMENTS

(₹ in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Commitments relating to contracts remaining to be executed on capital account and other commitments not provided for	231.53	309.41

NOTE - 43 PAYMENT TO STATUTORY AUDITORS (EXCLUDING GOODS AND SERVICE TAX)

(₹ in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
As auditors	11.00	11.00
For taxation matter	2.00	2.00
Other services	3.30	5.00
Reimbursement of expenses	0.70	-
	17.00	18.00

NOTE 44 - 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

Executive Director

Mr. Rakesh Kaul (Whole Time Director & CEO)

Executives/ Key Managerial Personnel

Mr. Naveen Maik (Chief Financial Officer)

Ms. Payal M Puri (Company Secretary)

Non-Executive Directors

Mr. Sandip Somany - Chairman (Non-Executive Non-Independent Director)

Mr. Ashok Jaipuria (Independent Director)

Mr. Nand Gopal Khaitan (Independent Director)

Mr. Salil Kumar Bhandari (Independent Director)

Ms. Anisha Motwani (Independent Director)

Subsidiaries

Hindware Home Retail Private Limited

Hintastica Private Limited

Brilloca Limited

Luxxis Heating Solutions Private Limited

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

Step down subsidiaries	Halis International Limited, Mauritius (subsidiary of Brilloca Limited) Alchemy International Cooperatief U.A. (ceased to be subsidiary of Halis International Limited w.e.f. 16th March 2021 as liquidated) Haas International B.V. (ceased to be subsidiary of Alchemy International Cooperatief U.A. w.e.f. 16th March 2021 as liquidated) Queo Bathroom Innovations Limited, UK (subsidiary of Haas International B.V. till 15-Mar-21 and became the subsidiary of Halis International Limited w.e.f. 16-Mar-21)
Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company	Khaitan & Co., LLP
Others	HSIL Limited (Subsidiary of Somany Impresa Limited w.e.f. 31-Dec-2020) read with note no. 16 (e)
Post employment benefit plan	Somany Provident Fund Institution

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

Particulars	(₹ in lakh)			
	Subsidiaries		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Transactions during the year #				
1. Sale of goods to				
Hindware Home Retail Private Limited	954.24	646.49	-	-
Brilloca Limited	5.50	-	-	-
Hintastica Private Limited	225.92	-	-	-
HSIL Limited	-	-	11.38	-
2. Purchase of goods from				
Hindware Home Retail Private Limited	34.15	-	-	-
HSIL Limited	-	-	536.08	-
3. Purchase of Property plant and equipment's from				
Brilloca Limited	21.45	-	-	-
4. Sale of Property plant and equipment's to				
Brilloca Limited	2.13	-	-	-
5. Investment made in				
Equity shares in Hintastica Private Limited	-	20.00	-	-
6. Reimbursement of expenses received from				
Hindware Home Retail Private Limited	0.80	2.31	-	-
7. Reimbursement of expenses paid to				
HSIL Limited	-	-	7.50	-
8. Payment for Management support services received				
Brilloca Limited	321.90	15.72	-	-
HSIL Limited	-	-	87.42	-
9. Rent received from				
Brilloca Limited	33.60	8.40	-	-
Hintastica Private Limited	17.60	-	-	-

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

(₹ in lakh)

Particulars	Subsidiaries		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
10. Rent paid to				
HSIL Limited	-	-	144.89	-
11. Loan received from				
Brilloca Limited	1,000.00	-	-	-
12. Loan given to				
Hintastica Private Limited	620.00	-	-	-
13. Interest paid/provided for loan taken				
Brilloca Limited	77.42	-	-	-
14. Interest on loan given				
Hintastica Private Limited	6.05	-	-	-
15. Contribution made to				
Somany Provident fund Institution	-	-	-	34.84
16. Royalty received from				
Hintastica Private Limited	4.58	-	-	-
17. Slump sale				
Hintastica Private Limited	5,220.48	-	-	-
18. Corporate Guarantee provided to				
Hintastica Private Limited	5,000.00	-	-	-
19. Consultancy fees paid to				
Khaitan & Co. LLP	-	-	0.92	-
20. Security Deposit paid to				
HSIL Limited	-	-	12.07	-
Balances outstanding at the end of the year				
Hindware Home Retail Private Limited - Receivable				
Loan component	91.12	84.33	-	-
Other receivable	138.11	137.39	-	-
Brilloca Limited - Payable				
Loan	1,000.00	-	-	-
Other payable	984.96	651.78	-	-
Hintastica Private Limited - Receivable				
Loan	620.00	-	-	-
Corporate Guarantee outstanding*	5,000.00	-	-	-
Other receivable	5,514.40	-	-	-
HSIL Limited - Payable	-	-	1,955.05	-
Khaitan & Co. LLP - Payable	-	-	0.42	-

Exclusive of GST, wherever applicable

* The Company has given corporate guarantee of ₹ 5,000.00 lakh to a bank for loan taken by its subsidiary (Hintastica Private Limited), against which loan outstanding of ₹ 49.82 lakh (Previous year NIL) as on 31 March 2021.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

The remuneration and other transactions with key management personnel during the year were as follows:

Particulars	(₹ in lakh)	
	Year ended 31 March 2021	Year ended 31 March 2020
Sale of good to		
Mr Salil Bhandari	0.50	-
Remuneration of key management personnel		
Mr. Rakesh Kaul	182.25	83.72
Mr. Naveen Malik	73.01	34.34
Mr. Payal M Puri	69.29	32.73
Commission and other payments to non executive directors	16.31	8.26
Remuneration payable		
Mr. Rakesh Kaul	4.33	6.72
Mr. Naveen Malik	4.36	3.01
Mr. Payal M Puri	4.44	3.32
Commission and other payments to non executive directors	7.20	6.01

The remuneration with key management personnel during the year were as follows:

Particulars	(₹ in lakh)	
	Year ended 31 March 2021	Year ended 31 March 2020
Short-term employee benefits #	328.50	152.47
Post-employment benefits		
- Defined contribution plan \$	12.36	6.58
- Defined benefit plan *	-	-
- Other long-term benefits *	-	-
Total	340.86	159.05

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

\$ 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.

Disclosure pursuant to Regulation 34(3) read with Schedule V, part A, Clause 2(2A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015

Promoter/promoter group companies holding more than 10% of equity share capital of the Company:

HSIL Limited

Particulars	Nature of Transaction	(₹ in lakh)	
		For the year ended 31 March 2021	For the year ended 31 March 2020
Transactions during the year #	Purchase of goods	536.08	4,463.10
	Sale of goods	11.38	-
	Godown rent paid	144.89	146.57
	Security deposit paid	12.07	-
	Management fees paid	87.42	32.00
	Reimbursement of expense paid	7.50	-
	Loan taken	-	1.00
	Loan repaid	-	19.00
	Interest on loan	-	0.88
Outstanding balance at the end of the year - Payable		1,955.05	1,761.82

Exclusive of GST, wherever applicable

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

NOTE 45 - CORPORATE SOCIAL RESPONSIBILITY

The Company is not required to spend on corporate social responsibility (CSR) as per section 135 of the Companies Act, 2013

NOTE 46 - LEASES

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, 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 at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2021.

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.

The following is the break-up of current and non-current lease liabilities as at March 31, 2021

Particulars	₹ in lakh	
	31-Mar-21	31-Mar-20
Current lease liabilities	458.55	930.76
Non current lease liabilities	2,035.50	4,353.53
Total	2,494.05	5,284.29

The following is the movement in lease liabilities during the year ended March 31, 2021:

Particulars	₹ in lakh	
	31-Mar-21	31-Mar-20
Balance at the beginning	5,284.29	-
Addition	29.26	6,345.91
Finance cost accrued during the period	315.50	391.18
Deletions/adjustments (refer note 55)	2,216.44	-
Payment of lease liabilities	784.84	1,452.80
Saving in lease rent	133.72	-
Balance at the end	2,494.05	5,284.29

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

Particulars	₹ in lakh	
	31-Mar-21	31-Mar-20
Less than one year	632.23	1,310.35
One to five years	1,788.79	4,519.96
More than five years	696.00	726.12
Total	3,117.02	6,556.43

Rental expense recorded for short-term leases was ₹ 332.86 lakh (previous year ₹ 376.44 lakh) for the year ended March 31, 2021

NOTE 47 - GRATUITY VALUATION

Gratuity liability as on 31st March 2021, has been provided based on the actuarial valuation however pending final allocation of fund assets among transferor and resulting companies i.e. HSIL Limited, Somany Home Innovation Limited and Brilloca Limited has been done on the basis of estimates as per the management of the Company and HSIL Limited.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

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NOTE 48 - FINANCIAL INSTRUMENT BY CATEGORY

(₹ in lakh)

Particulars	As at 31 March 2021			As at 31 March 2020		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Non current financial assets						
Investments	-	-	187.28	-	-	187.28
Loans	-	-	411.76	-	-	369.48
Other financial assets	-	-	-	-	-	-
Current financial assets						
Investments	-	-	-	-	-	-
Trade receivable	-	-	15,822.14	-	-	11,717.99
Cash and cash equivalents	-	-	195.60	-	-	40.09
Bank balances other than cash and cash equivalents	-	-	1.18	-	-	-
Loans	-	-	620.00	-	-	6.82
Other financial assets	-	-	5,248.44	-	-	8.44
Total financial assets	-	-	22,486.40	-	-	12,330.10
Non current financial liabilities						
Non-current borrowings	-	-	2,275.00	-	-	1,425.00
Other financial liabilities	-	-	2,240.82	-	-	4,532.78
Current financial liabilities						
Current borrowings	-	-	9,537.57	-	-	12,249.67
Trade payables	-	-	9,998.10	-	-	6,467.44
Other financial liabilities	-	-	6,854.85	-	-	4,786.55
Total financial liabilities	-	-	30,906.34	-	-	29,461.44

NOTE 49 - DISCLOSURE UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

(₹ in lakh)

Particulars	As at 31 March 2021				As at 31 March 2020			
	Brilloca Limited (wholly owned subsidiary)	Luxxis Heating Solutions Private Limited (Wholly owned subsidiary)	Hindware Home Retail Private Limited (wholly owned subsidiary)	Hintastica Private Limited (wholly owned subsidiary)	Brilloca Limited (wholly owned subsidiary)	Luxxis Heating Solutions Private Limited (Wholly owned subsidiary)	Hindware Home Retail Private Limited (wholly owned subsidiary)	Hintastica Private Limited ((wholly owned subsidiary)
Guarantee								
Guarantees given as at the beginning of the financial year	-	-	-	-	-	-	-	-
Guarantees given during the financial year	-	-	-	5,000.00	-	-	-	-
Guarantee closed during the year	-	-	-	-	-	-	-	-
Guarantees given as at the end of the financial year	-	-	-	5,000.00	-	-	-	-
Investments								
Investments at the beginning of the financial year	10.00	20.00	188.52	20.00	10.00	20.00	188.52	-
Additions during the financial year	-	-	-	-	-	-	-	20.00

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for the year ended 31 March 2021

(₹ in lakh)

Particulars	Brilloca Limited (wholly owned subsidiary)	Luxxis Heating Solutions Private Limited (Wholly owned subsidiary)	Hindware Home Retail Private Limited (wholly owned subsidiary)	Hintastica Private Limited (wholly owned subsidiary)	Brilloca Limited (wholly owned subsidiary)	Luxxis Heating Solutions Private Limited (Wholly owned subsidiary)	Hindware Home Retail Private Limited (wholly owned subsidiary)	Hintastica Private Limited (wholly owned subsidiary)
	As at 31 March 2021				As at 31 March 2020			
Provision for diminution in the value of during the year	-	-	-	-	-	-	-	-
Investment at the end of the financial year	10.00	20.00	188.52	20.00	10.00	20.00	188.52	20.00
Loans and advances								
Loans at the beginning of the financial year	-	-	-	-	-	-	-	-
Additions during the financial year	-	-	-	620.00	-	-	-	-
Return back during the year	-	-	-	-	-	-	-	-
Loans at the end of the financial year	-	-	-	620.00	-	-	-	-

NOTE 50 - COVID-19

To restrain the wide spread of COVID-19 pandemic in India, the Government of India declared lockdowns which impacted the business activities during first half of the financial year 2020-2021. Accordingly figures for the year ended on 31st March 2021 are not comparable with corresponding year ended on 31st March 2020, on account of restriction in business activities. Considering current market scenario and company's quality product portfolio, brand image, long-standing relationships & goodwill with its customers, suppliers and other stakeholders, Company expects that the business operations, cash flows, future revenue, assets and liabilities will sustain going forward. The impact of any future events and developments, if any emerging out of the Pandemic and of events accruing after the date of financial statements of year will be accounted for prospectively.

NOTE 51 - GST RETURN

The annual return of GST for FY 2020-21 is under process of filing with statutory authorities. The management believes that there will not be any material impact over financial statements after financial submission/filing. The date of filing of GST returns are 31st December, 2021.

NOTE 52 - 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 53 - SLUMP SALE

- The Board of Directors of Company, in its meeting held on 23 June 2020, approved sale of Water Heater Business Undertaking (the "WHBU"), being part of Consumer Appliances business of Company, to its wholly owned subsidiary M/s. Hintastica Private Limited (the "HPL") by way of slump sale through Business Transfer Agreement (BTA) executed between the Company and HPL on 2 July, 2020. The Board of Directors of the Company at its meeting held on 30 December, 2020 also noted the consummation of the transaction with effect from 31 December, 2020. Gain on slump sale accounted for as exceptional item in statement of profit and loss.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2021

- b) The Board of Directors of the Company, at its meeting held on 25 March, 2021 had approved the execution of Share Subscription and Shareholders Agreement ("SSHA") (along with the ancillary agreements) with M/s. Atlantic Societe Francaise De Development Thermique, France, ~Euro 2.2 billion multinational group ("Groupe Atlantic") and Hintastica Private Limited ("HPL"). Pursuant to the execution of SSHA, the Company had infused ₹ 766.59 lakh on 13 May 2021 by subscribing 25,300 equity shares at agreed valuation of ₹ 3,030 per share (₹ 10 face value plus Share Premium of ₹ 3,020 per share) in HPL and Groupe Atlantic infused ₹ 6,826.59 lakh on 19 May 2021 by subscribing 225,300 equity shares at agreed valuation of ₹ 3,030 per share (₹ 10 face value plus Share Premium of ₹ 3,020 per share) in HPL, such that post aforesaid investments by the Company and Groupe Atlantic and post allotment of equity shares by HPL to the Company and Groupe Atlantic, HPL has become a 50:50 joint venture between the Company and Groupe Atlantic w.e.f. 20 May 2021 (subject to compliance of applicable closing conditions, regulatory fillings and approvals, if any, as may be applicable). Accordingly, the company during the year ended 31 March 2021 provided Income tax charge of ₹ 805.42 lakh by adjusting deferred tax liability of similar amount on profits of ₹ 3,470.70 lakh on slump sale of water heater undertaking.

NOTE 54 - PROPOSED DIVIDEND

In respect of the current year ended 31st March 2021, the directors propose that a dividend of ₹ 0.30/- (previous year ₹ 0.15/-) per share to be paid on equity shares of ₹ 2 per share. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members. The total estimated equity dividend to be paid is ₹ 216.89 lakh. (Previous year ₹ 108.44 lakh)

NOTE 55

During the year, the Company has closed 8 (eight) out of its 10 (Ten) retail furniture stores which sells furniture and hard furnishing items under brand "EVOK". On closure, right to use assets of ₹ 1,984.70 lakh & lease liability of ₹ 2,139.78 lakh have been duly de-recognised and balancing figure of ₹ 155.08 lakh has been booked as income and shown under "Other Income" during the year ended 31st March 2021.

NOTE 56

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

In terms of our report attached.

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

N. K. Lodha
Partner
M. No. 85155
Place: New Delhi
Date: 26 May 2021

For and on behalf of the Board of Directors

Rakesh Kaul
Whole Time Director and CEO
DIN: 08560772

Payal M. Puri
Company Secretary
ACS No.: 16068

Sandip Somany
Chairman
DIN: 00053597

Naveen Malik
Chief Financial Officer

Place: Gurugram
Date: 26 May 2021

Independent Auditor's Report

To the Members of Somany Home Innovation Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS OPINION

We have audited the accompanying consolidated financial statements of **Somany Home Innovation Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 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 consolidated state of affairs of the Group as at March 31, 2021, the consolidated profit, consolidated other comprehensive income, consolidated

changes in equity and its consolidated cash flows for the year then ended.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Description of Key Audit Matter	How our audit addressed the key audit matter
<p>1. Sale of Water Heater Business Undertaking The Holding company (SHIL) has sold its Water Heater Business Undertaking (the "WHBU"), being part of Consumer Appliances business of Company, to its wholly owned subsidiary M/s. Hintastica Private Limited (the "HPL") by way of slump sale w.e.f. 31st Dec 2021. (Read with note no. 52). Accounting for Provision of tax - capital gain on slump sale to wholly owned subsidiary under the Indian tax laws requires a careful consideration of all facts and circumstances as taxability and exemption depends on fulfilling certain conditions attached to the transfer.</p>	<p>Our audit procedure included checking and review of:</p> <ol style="list-style-type: none"> Resolution passed by the Board of Directors of the Holding Company and subsidiary company; Business Transfer Agreement (BTA) executed between the Holding Company and HPL. Share Subscription and Shareholders Agreement ("SSHA") (along with the ancillary agreements) with M/s. Atlantic Societe Francaise De Development Thermique, France; and Regulatory filings made with various regulators / intermediaries including Stock Exchanges by the Holding Company. <p>Based on the developments took placed subsequent to the Balance Sheet date i.e. 31st March 2021 whereby the Holding Company ceded its control over HPL (wholly owned subsidiary became Joint venture w.e.f. 20th May 2021), it was considered that the sale of Water Heater Business Undertaking (the "WHBU") to HPL was taxable under the Income Tax Act. Accordingly, the Holding company provided Income tax on slump sale of Water Heater Business Undertaking.</p>

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

RESPONSIBILITIES OF MANAGEMENT'S AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirement of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- ♦ Identify and assess the risks of material misstatement of the consolidated 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 financial controls 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 and its subsidiary companies which are companies incorporated in India, 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 Group 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 consolidated 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 Group to cease to continue as a going concern.

- ♦ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ♦ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

- A) We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 508.23 lacs as at 31 March 2021, total revenue of ₹ 1,785.59 lacs, total net profit / (loss) after tax of (₹ 05.21 lacs), total comprehensive income of (₹ 4.60 lacs) and net cash inflow / (outflow) of ₹ 27.48 Lacs for year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- g) With respect to the other matter to be included in the Auditors' report under Section 197(16):
- In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding company and its subsidiaries which are incorporated in India is in accordance with the provisions of Section 197 of the Act, [Note no.37(1)].
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i) The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group - Refer Note No. 38 of the Consolidated Financial Statements.
- ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For LODHA & CO.

Chartered Accountants
Firm Registration No. 301051E

(N. K. Lodha)

Partner
Membership No. 85155
UDIN: 21085155AAAACR4668

Place: New Delhi
Date: 26th May 2021

Annexure – A to the Auditor’s Report

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2021, we have audited the internal financial controls over financial reporting of **Somany Home Innovation Limited** (‘the Holding Company’) and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 (‘the Act’).

AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company and its subsidiary companies, which are companies incorporated in India, based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Group and its Subsidiary companies, which are incorporated in India, have, maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, 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.

OTHER MATTERS

- i) Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial

reporting insofar as it relates to one subsidiary, which is company incorporated in India, is based on the corresponding reports of the auditor of such company.

For LODHA & CO.

Chartered Accountants
Firm Registration No. 301051E

(N. K. Lodha)

Partner
Membership No. 85155
UDIN: 21085155AAAACR4668

Place: New Delhi
Date: 26th May 2021

Consolidated Balance Sheet

as at 31 March 2021

(₹ in lakh)

Particulars	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	4	15,568.04	18,798.33
(b) Capital work-in-progress		1,038.84	480.45
(c) Other intangible assets	5	134.39	178.60
(d) Other intangible assets under development		20.00	-
(e) Financial assets			
Loans	6	612.11	603.39
(f) Deferred tax assets (net)	7	3,651.74	4,241.30
(g) Other non-current assets	8	583.08	635.13
Total non-current assets		21,608.20	24,937.20
2 Current assets			
(a) Inventories	9	28,018.38	31,016.66
(b) Financial assets			
(i) Investments	10	2,564.02	27.19
(ii) Trade receivables	11	40,765.19	35,917.90
(iii) Cash and cash equivalents	12	760.44	266.67
(iv) Bank balances other than (iii) above	13	1.18	-
(v) Loans	14	59.59	6.82
(vi) Other financial assets	15	-	955.52
(c) Other current assets	16	10,081.10	7,843.33
Total current assets		82,249.90	76,034.09
Total assets		1,03,858.10	1,00,971.29
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	17	1,445.93	1,445.93
(b) Other equity	18	31,548.38	25,976.49
Total equity		32,994.31	27,422.42
2 Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	4,253.64	4,756.96
(ii) Other financial liabilities	20	7,599.92	9,762.57
(b) Provisions	21	827.61	737.52
(c) Other non-current liabilities	22	144.88	175.38
Total non-current liabilities		12,826.05	15,432.43
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	14,186.74	27,795.49
(ii) Trade payables	24		
- Due to micro and small enterprise		4,705.98	3,129.58
- Due to others		9,679.24	8,089.40
(iii) Other financial liabilities	25	21,304.91	15,133.49
(b) Other current liabilities	26	6,288.77	3,176.69
(c) Income tax liabilities (net)	27	1,556.19	553.77
(d) Provisions	28	315.91	238.02
Total current liabilities		58,037.74	58,116.44
Total liabilities		70,863.79	73,548.87
Total equity and liabilities		1,03,858.10	1,00,971.29

Notes 1 to 54 form an integral part of these consolidated financial statements.

In terms of our report attached.

For and on behalf of the Board of Directors

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

Rakesh Kaul
Whole Time Director and CEO
DIN: 08560772

Sandip Somany
Chairman
DIN: 00053597

N. K. Lodha
Partner
M. No. 85155
Place: New Delhi
Date: 26 May 2021

Payal M. Puri
Company Secretary
ACS No.: 16068

Naveen Malik
Chief Financial Officer

Place: Gurugram
Date: 26 May 2021

Consolidated Statement of Profit and Loss

for the year ended 31 March 2021

(₹ in lakh)			
Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
I Revenue from operations	29	1,77,521.26	1,61,312.45
II Other income	30	1,806.99	2,431.40
III Total income		1,79,328.25	1,63,743.85
IV Expenses			
Purchases of stock-in-trade	31	1,16,252.49	1,10,483.79
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	3,130.65	(3,068.51)
Employee benefits expense	33	18,083.48	17,735.96
Finance costs	34	2,948.76	3,331.48
Depreciation and amortisation expense	35	3,927.49	4,599.27
Other expenses	36	25,743.90	27,345.26
Total expenses		1,70,086.77	1,60,427.25
V Profit before exceptional items and tax		9,241.48	3,316.60
VI Exceptional items		-	-
VII Profit before tax		9,241.48	3,316.60
VIII Tax expense	41		
(1) Current tax		3,668.85	1,830.23
(2) Minimum Alternative Tax entitlement / (charged)		0.03	-
(3) Earlier year income tax		(427.47)	-
(4) Deferred tax		515.79	(824.56)
Total tax expense		3,757.20	1,005.67
IX Profit for the year		5,484.28	2,310.93
X Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plan		269.21	(52.19)
(b) Income-tax relating to these items		(73.74)	14.13
(ii) Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operations		0.58	0.28
Other comprehensive income, net of tax		196.05	(37.78)
XI Total comprehensive income for the year		5,680.33	2,273.15
XII Earnings per equity share (of ₹ 2/- each):			
Basic and diluted	45	7.59	3.20

Notes 1 to 54 form an integral part of these consolidated financial statements.

In terms of our report attached.

For and on behalf of the Board of Directors

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

Rakesh Kaul
Whole Time Director and CEO
DIN: 08560772

Sandip Somany
Chairman
DIN: 00053597

N. K. Lodha
Partner
M. No. 85155
Place: New Delhi
Date: 26 May 2021

Payal M. Puri
Company Secretary
ACS No.: 16068

Naveen Malik
Chief Financial Officer

Place: Gurugram
Date: 26 May 2021

Consolidated Statement of Cash Flows

for the year ended 31 March 2021

(₹ in lakh)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Cash flows from operating activities		
Profit before tax	9,241.48	3,316.60
Adjustments for:		
Finance costs	2,948.76	3,331.48
Interest income	(84.18)	(49.26)
Gain on disposal of property, plant and equipment	(11.34)	(6.71)
Loss on disposal of property, plant and equipment	38.09	23.47
Net loss/(gain) arising on current investments	(5.37)	(1.60)
Sundry balances and liabilities no longer required, written back	(1,861.53)	(826.85)
Provision for expected credit/impairment loss	1,191.66	669.60
Provision for doubtful advances	79.75	1.72
Bad debts written off	5.44	32.94
Saving in lease rental	(224.02)	-
Excess balances and liabilities written back	(0.09)	-
Depreciation and amortisation expenses	3,927.49	4,599.27
Foreign currency translation gain/(loss) on consolidation	0.58	-
Net foreign exchange loss/(gain)	(215.67)	22.43
	15,031.05	11,113.09
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(5,159.53)	7,728.51
(Increase)/decrease in inventories	2,998.28	(3,087.24)
(Increase)/decrease in other assets	(2,316.03)	(1,688.26)
Increase/(decrease) in trade and other liabilities	14,965.98	(4,723.00)
Increase/(decrease) in provisions	168.00	232.37
	10,656.70	(1,537.62)
Cash generated from operations	25,687.75	9,575.47
Income taxes paid	(2,382.43)	(5,560.24)
Income taxes refund	143.45	-
Net cash generated by operating activities	23,448.77	4,015.23
Cash flows from investing activities:		
Payments to acquire financial assets	(2,531.46)	-
Proceeds from sale of financial assets	-	1.40
Interest received	84.18	51.94
Payments for property, plant and equipment	(2,837.43)	(3,195.90)
Proceeds from disposal of property, plant and equipment	123.86	41.07
Movement in other bank balances	(1.18)	2.17
Net cash used in investing activities	(5,162.03)	(3,099.32)
Cash flows from financing activities:		
Proceeds from borrowings	-	10.00
Repayment of borrowings	(253.04)	-
Movement in short term borrowings (net)	(13,608.75)	2,523.49
Principal payment of lease liability	(845.62)	(1,417.23)
Dividend paid	(107.26)	-
Dividends tax paid	-	(513.88)
Interest paid	(2,978.30)	(3,427.13)
Net cash used in financing activities	(17,792.97)	(2,824.75)
Net increase in cash and cash equivalents:	493.77	(1,908.84)
Cash and cash equivalents at the beginning of the year	266.67	2,175.51
Cash and cash equivalents at the end of the year	760.44	266.67

Consolidated Statement of Cash Flows

for the year ended 31 March 2021

The movement in liabilities from financing activities:

Particulars	As at 31 March, 2020	Cashflows	Non-cashflow changes - Other		As at 31 March, 2021
			Foreign exchange	Other	
Long term borrowings	5,010.00	(253.04)	-	-	4,756.96
Short term borrowings	27,795.49	(13,608.75)	-	-	14,186.74
Total liabilities from financing activities	32,805.49	(13,861.79)	-	-	18,943.70

Particulars	As at 31 March, 2019	Cashflows	Non-cashflow changes - Other		As at 31 March, 2020
			Foreign exchange	Other	
Long term borrowings	5,000.00	10.00	-	-	5,010.00
Short term borrowings	25,272.00	2,523.49	-	-	27,795.49
Total liabilities from financing activities	30,272.00	2,533.49	-	-	32,805.49

Notes 1 to 54 form an integral part of these consolidated financial statements.

In terms of our report attached.

For and on behalf of the Board of Directors

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

Rakesh Kaul
Whole Time Director and CEO
DIN: 08560772

Sandip Somany
Chairman
DIN: 00053597

N. K. Lodha
Partner
M. No. 85155
Place: New Delhi
Date: 26 May 2021

Payal M. Puri
Company Secretary
ACS No.: 16068

Naveen Malik
Chief Financial Officer

Place: Gurugram
Date: 26 May 2021

Consolidated Statement of Changes in Equity

for the year ended 31 March 2021

A. EQUITY SHARE CAPITAL

Particulars	Number of shares	(₹ in lakh)
		Amount
Issued and paid up capital		
Balance as at 1 April 2019 *	-	-
Share issue pursuant to the Scheme of arrangement	7,22,96,395	1,445.93
Balance as at 31 March 2020	7,22,96,395	1,445.93
Shares issued during the period	-	-
Balance as at 31 March 2021	7,22,96,395	1,445.93

* Cancelled pursuant to the Scheme of Arrangement

B. SHARE CAPITAL SUSPENSE ACCOUNT

Particulars	(₹ in lakh)
	Amount
Balance as at 1 April 2019	1,445.93
Share issue pursuant to the Scheme of arrangement	(1,445.93)
Balance as at 31 March 2020	-
Shares issued during the period	-
Balance as at 31 March 2021	-

C. OTHER EQUITY

Particulars	Reserves and surplus				Other comprehensive income		Total
	Capital reserve	Securities premium account	General reserve	Retained earnings	Foreign currency translation reserve	Actuarial gain / (loss)	
Balance as at 1 April 2019	49.88	7,238.97	2,449.08	14,367.90	46.99	64.40	24,217.22
Profit for the year	-	-	-	2,310.93	-	-	2,310.93
Other comprehensive income for the year (net of tax)	-	-	-	-	0.28	(38.06)	(37.78)
Total comprehensive income for the year	-	-	-	2,310.93	0.28	(38.06)	2,273.15
Payment of dividend tax *	-	-	-	(513.88)	-	-	(513.88)
Balance as at 31 March 2020	49.88	7,238.97	2,449.08	16,164.95	47.27	26.34	25,976.49
Profit for the year	-	-	-	5,484.28	-	-	5,484.28
Other comprehensive income for the year (net of tax)	-	-	-	-	0.58	195.47	196.05
Total comprehensive income for the year	-	-	-	5,484.28	0.58	195.47	5,680.33
Payment of dividend	-	-	-	(108.44)	-	-	(108.44)
Balance as at 31 March 2021	49.88	7,238.97	2,449.08	21,540.79	47.85	221.81	31,548.38

* Corporate dividend tax paid by a subsidiary company on interim dividend of ₹ 2,500 lakh received by the Company."

Notes 1 to 54 form an integral part of these consolidated financial statements.

In terms of our report attached.

For and on behalf of the Board of Directors

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

Rakesh Kaul
Whole Time Director and CEO
DIN: 08560772

Sandip Somany
Chairman
DIN: 00053597

N. K. Lodha
Partner
M. No. 85155
Place: New Delhi
Date: 26 May 2021

Payal M. Puri
Company Secretary
ACS No.: 16068

Naveen Malik
Chief Financial Officer

Place: Gurugram
Date: 26 May 2021

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2021

1. A) Corporate information

Somany Home Innovation Limited (the 'Parent Company') is a public limited company incorporated in India under the Companies Act, 2013. The registered office of the Parent Company is situated in Kolkata and the corporate office is in Gurugram. The Group is into the business of selling and trading of building products, Consumer appliances and retail business. The equity shares of the parent

Company is listed at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

The consolidated financial statements include the consolidated balance sheet, consolidated statement of profit and loss, consolidated cash flow statement and consolidated statement of changes in equity of the Parent Company and its undermentioned subsidiaries (hereinafter referred as the 'Group')-

Company	Date of shareholding/ membership	Country of incorporation	% of shareholding
Hindware Home Retail Private Limited	1 st April 2018	India	100%
Luxxis Heating Solutions Private Limited	1 st April 2018	India	100%
Brilloca Limited	1 st April 2018	India	100%
Hintastica Private Limited	14 th November 2019	India	100%
Halis International Limited	1 st April 2018	Mauritius	100%
Alchemy International Cooperatief U.A. (subsidiary of Halis International Limited) ^	1 st April 2018	Netherland	100%
Haas International B.V. (subsidiary of Alchemy International Cooperatief U.A.) ^	1 st April 2018	Netherland	100%
Queo Bathroom Innovations Limited UK (subsidiary of Haas International B.V.)	1 st April 2018	United Kingdom (UK)	100%

^ liquidated during the year

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

The consolidated financial statements of the Group have been prepared in accordance with Ind AS notified by the Companies (Indian Accounting Standards) Rules, 2015 (as amended). Accordingly, the Group's financial statements for the year ended 31 March 2021 are prepared complying in material aspects with applicable Ind AS.

The consolidated financial statement of the Group as at and for the year ended 31 March 2021 (including comparatives) were approved and authorised by the Board of Directors on 26 May, 2021.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of Consolidated Financial Statements

These financial statements are the Consolidated Financial Statements of the Group (Parent and subsidiary) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

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

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent company and its subsidiaries. Control is gained when the Parent Company:

- ♦ Has power over the investee
- ♦ Is exposed or has rights to variable return from its involvement with the investee, and

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2021

- ♦ Has the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- ♦ The contractual arrangement with the other vote holders of the investee
- ♦ Rights arising from other contractual arrangements
- ♦ The Parent Company's voting rights and potential voting rights
- ♦ The size of the Parent Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31 March.

Consolidation procedure:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and

liabilities recognised in the consolidated financial statements at the acquisition date.

- b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

The significant accounting policies to prepare consolidated financial statements are in uniformity with the standalone financial statements of the Company. Following are the additional policies specifically considered for preparation of consolidated financial statements:

3.1 Business combinations

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, 'Income Taxes' and Ind AS 19, 'Employee Benefits', respectively. Where the consideration transferred exceeds the fair value

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2021

of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Ind AS 103. Such transactions are accounted for using the pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their carrying amounts of the parent entity's consolidated financial statements with the exception of certain income tax and deferred tax assets. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. The components of equity of the acquired companies are added to the same components within the Group's equity. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to other equity and is presented separately from other capital reserves.

3.2 Foreign currency transactions and translations

Initial recognition

The Group's consolidated financial statements are presented in INR, which is also the Group'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 Group, 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 Group's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

3.3 Taxation

Deferred tax

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

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

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

3.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group has three operating/reportable segments: consumer appliances business, retail business and building products segments. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services.

Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the Group uses the same measurement policies as those used in its financial statements. In addition, unallocated assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2021

Description of assets	Buildings	Leasehold improvements	Right to use - Building	Plant and equipment	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
I. Gross block									
Opening balance as at 1 April 2019	1.02	1,128.13	-	6,489.35	710.55	6,386.99	1,217.19	459.48	16,392.71
Additions	-	4.04	9,791.09	1,139.53	174.87	1,249.43	133.05	319.63	12,811.64
Disposals/adjustment	(1.02)	(481.76)	-	(4.03)	(192.21)	(1,004.84)	(287.64)	(90.83)	(2,062.33)
Balance as at 31 March 2020	-	650.41	9,791.09	7,624.85	693.21	6,631.58	1,062.60	688.28	27,142.02
Additions	-	345.14	777.08	484.81	77.27	722.24	338.37	432.99	3,177.90
Disposals/adjustment	-	(34.24)	(3,674.16)	(7.85)	(133.82)	(521.00)	(142.12)	(200.58)	(4,713.77)
Balance as at 31 March 2021	-	961.31	6,894.01	8,101.81	636.66	6,832.82	1,258.85	920.69	25,606.15
II. Accumulated depreciation and amortisation									
Opening balance as at 1 April 2019	-	730.65	-	623.00	562.35	2,867.56	816.26	227.67	5,827.49
Depreciation and amortisation charge for the year	-	74.86	1,871.17	773.42	77.66	1,146.99	223.83	85.28	4,253.21
Disposals/adjustment	-	(481.77)	-	15.93	(191.98)	(981.26)	(262.73)	(83.33)	(1,985.14)
Impairment	-	39.08	-	0.50	6.80	201.51	0.24	-	248.13
Balance as at 31 March 2020	-	362.82	1,871.17	1,412.85	454.83	3,234.80	777.60	229.62	8,343.69
Depreciation and amortisation charge for the year	-	71.40	1,373.31	643.76	82.17	1,112.38	207.45	139.70	3,630.17
Disposals/adjustment	-	(33.96)	(1,293.52)	(5.10)	(131.88)	(476.32)	(111.21)	(112.97)	(2,164.96)
Impairment	-	183.37	-	-	5.94	39.90	-	-	229.21
Balance as at 31 March 2021	-	583.63	1,950.96	2,051.51	411.06	3,910.76	873.84	256.35	10,038.11
Net block (I-II)									
Balance as at 31 March 2021	-	377.68	4,943.05	6,050.30	225.60	2,922.06	385.01	664.34	15,568.04
Balance as at 31 March 2020	-	287.59	7,919.92	6,212.00	238.38	3,396.78	285.00	458.66	18,798.33

Refer note 19 & 23 for details of property, plant and equipment hypothecated as security by the Company.

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2021

NOTE 5 - OTHER INTANGIBLE ASSETS

(₹ in lakh)			
Description of assets	Trade mark	Computer software	Total
I. Gross block			
Opening balance as at 1 April 2019	36.15	763.83	799.98
Additions	-	26.86	26.86
Disposal/ Adjustment	-	(84.57)	(84.57)
Balance as at 31 March 2020	36.15	706.12	742.27
Additions	-	-	-
Disposal/ Adjustment	-	108.93	108.93
Balance as at 31 March 2021	36.15	815.05	851.20
II. Accumulated amortisation			
Opening balance as at 1 April 2019	0.39	569.28	569.67
Amortisation charge for the year	3.52	94.12	97.64
Disposals/adjustment	-	(103.93)	(103.93)
Impairment	-	0.29	0.29
Balance as at 31 March 2020	3.91	559.76	563.67
Amortisation charge for the year	-	68.11	68.11
Disposals/adjustment	-	85.03	85.03
Impairment	-	-	-
Balance as at 31 March 2021	3.91	712.90	716.81
Net block (I-II)			
Balance as on 31 March 2021	32.24	102.15	134.39
Balance as on 31 March 2020	32.24	146.36	178.60

NOTE 6 - NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakh)		
Particulars	As at 31 March 2021	As at 31 March 2020
(unsecured and considered good unless otherwise specified, as considered by the management)		
Security deposits *	612.11	603.39
Unsecured, considered doubtful	2.82	2.82
Less: Provision against advance	(2.82)	(2.82)
	612.11	603.39

* Including of HSIL Limited of ₹ 14.59 lakh (previous year nil)

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2021

NOTE 7 - DEFERRED TAX (NET)

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
Deferred tax liability arising on account of		
Others	1.25	-
	1.25	-
Deferred tax asset arising on account of		
Deferred tax on business losses	1,866.07	2,037.64
Difference between book balance and tax balance of property, plant and equipment	549.97	1,213.83
Provision for doubtful debts and loans and advances	1,119.79	775.34
Provision for employee benefits	78.26	141.49
MAT Credit entitlement	-	0.03
Others	38.90	72.97
	3,652.99	4,241.30
Deferred tax assets (net)	3,651.74	4,241.30

Deferred tax liability (net) in relation to:

Particulars	(₹ in lakh)				
	As at 1 April 2020	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	As at 31 March 2021
Deferred tax liability arising on account of					
Others	-	1.25	-	-	1.25
Sub total	-	1.25	-	-	1.25
Deferred tax asset arising on account of					
Deferred tax on business losses	2,037.64	(171.57)	-	-	1,866.07
Difference between book balance and tax balance of property, plant and equipment	1,213.83	(663.86)	-	-	549.97
Provision for doubtful debts and loans and advances	775.34	344.45	-	-	1,119.79
Provision for employee benefits	141.49	10.51	(73.74)	-	78.26
Others	72.97	(34.07)	-	-	38.90
Sub total	4,241.27	(514.54)	(73.74)	-	3,652.99
MAT Credit entitlement	(0.03)	0.03	-	-	-
Net deferred tax assets	4,241.30	(515.82)	(73.74)	-	3,651.74

Deferred tax liability (net) in relation to:

Particulars	(₹ in lakh)				
	As at 1 April 2019	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	As at 31 March 2020
Deferred tax liability arising on account of					
Others	-	-	-	-	-
Sub total	-	-	-	-	-
Deferred tax asset arising on account of					
Deferred tax on business losses	1,290.69	746.95	-	-	2,037.64
Difference between book balance and tax balance of property, plant and equipment	1,203.95	9.88	-	-	1,213.83
Provision for doubtful debts and loans and advances	788.40	(13.06)	-	-	775.34
Provision for employee benefits	119.54	7.82	14.13	-	141.49
Others	-	72.97	-	-	72.97
Sub total	3,402.58	824.56	14.13	-	4,241.27
MAT Credit entitlement	-	(0.03)	-	-	(0.03)
Net deferred tax assets	3,402.58	824.59	14.13	-	4,241.30

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2021

NOTE 8 - OTHER NON-CURRENT ASSETS

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
(unsecured and considered good, unless stated otherwise, as considered by the management)		
Capital advances	207.70	256.61
Considered doubtful	15.15	15.15
Less: Provision for doubtful advances	(15.15)	(15.15)
Prepaid expenses	0.18	-
Balances with government authorities *	374.20	378.52
Others	1.00	-
	583.08	635.13

* Including amount paid/deposited against legal cases.

NOTE 9 - INVENTORIES

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
(valued at cost or net realisable value which ever is lower)		
Stock-in-trade of goods acquired for trading @	27,867.28	30,997.93
Stores and spares	125.16	18.73
Packing material	25.94	-
	28,018.38	31,016.66
@Included above, goods-in-transit:		
Stock-in-trade	35.72	-
	35.72	-

Notes:

Refer note 23 for information on inventory hypothecated as security by the Company.

NOTE 10 - CURRENT INVESTMENTS

Particulars	(₹ in lakh)			
	As at 31 March 2021		As at 31 March 2020	
	Units	Amount	Units	Amount
Fair value through profit and loss (FVTPL)				
Quoted investments				
Investments in mutual fund				
UTI Overnight Fund-Direct Growth Plan	10,700.32	301.50	-	-
Aditya Birla Sun Life overnight fund- Growth direct plan	36,093.27	401.70	-	-
Axis Overnight Fund Direct Growth	1,70,253.23	1,852.22	-	-
HDFC Liquid Fund-Regular Plan-Growth	214.00	8.60	700.05	27.19
	2,17,260.82	2,564.02	700.05	27.19
Other disclosures				
Aggregate value of quoted investment at cost		2,559.66		23.68
Aggregate market value of quoted investments		2,564.02		27.19

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2021

NOTE 11 - TRADE RECEIVABLES

(₹ in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Secured, considered good	1,676.96	1,584.50
Unsecured, considered good	39,088.23	34,333.40
Credit impaired	4,123.70	2,932.04
	44,888.89	38,849.94
Less: Provision for impairment/expected credit loss	4,123.70	2,932.04
	40,765.19	35,917.90

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

(₹ in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	2,932.04	2,262.45
Expected credit losses provided for during the year (refer note 36)	1,191.66	669.60
Amounts written back during the year (net)	-	(0.01)
	4,123.70	2,932.04

Refer note 23 for trade receivable/book debts hypothecated as security by the Company

NOTE 12 - CASH AND CASH EQUIVALENTS

(₹ in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks	353.71	155.41
Cheques, drafts in hand	0.34	50.60
Cash in hand	4.00	6.72
Remittance in transit	402.39	53.94
	760.44	266.67

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

NOTE 13 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Earmarked balances with banks		
Unpaid dividends accounts *	1.18	-
	1.18	-

* Not due for deposit in investor education and protection fund

NOTE 14 - CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
(unsecured and considered good by the management)		
Security deposit *	59.59	6.82
	59.59	6.82

* Including of HSIL Limited of ₹ 59.59 lakh (previous year nil)

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NOTE 15 - CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
(unsecured and considered good by the management)		
Other financial assets		
Interest accrued on deposits, loans and advances	-	0.04
Other receivable*	-	955.48
	-	955.52

* including of HSIL Limited of Nil (previous year ₹ 955.48 lakh)

NOTE 16 - OTHER CURRENT ASSETS

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
(unsecured and considered good by the management)		
Prepaid expenses	91.07	403.23
Balances with government authorities	5,274.97	4,412.17
Others		
- Advance to suppliers *	3,938.50	1,841.68
Considered doubtful	124.36	74.61
Less: Provision against Advance to Vendors	(124.36)	(74.61)
- Employee advances	36.04	90.63
- Other current assets	740.52	1,095.62
Considered doubtful	52.41	22.41
Less: Provision for doubtful advances	(52.41)	(22.41)
	10,081.10	7,843.33

* including of HSIL Limited of ₹ 2,078.91 (previous year nil)

NOTE 17 - EQUITY SHARE CAPITAL

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	(₹ in lakh)	No. of shares	(₹ in lakh)
Authorised:				
Equity shares of ₹ 2 each	7,50,00,000	1,500.00	7,50,00,000	1,500.00
Issued:				
Equity shares of ₹ 2 each	7,22,96,395	1,445.93	7,22,96,395	1,445.93
Subscribed and fully paid:				
Equity shares of ₹ 2 each	7,22,96,395	1,445.93	7,22,96,395	1,445.93
	7,22,96,395	1,445.93	7,22,96,395	1,445.93

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	(₹ in lakh)	No. of shares	(₹ in lakh)
Equity shares outstanding at the beginning of the year	7,22,96,395	1,445.93	-	-
Add: Shares issued during the year	-	-	7,22,96,395	1,445.93
Equity shares outstanding at the end of the year	7,22,96,395	1,445.93	7,22,96,395	1,445.93

(b) 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

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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.

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% of holding	No. of shares	% of holding
Somany Impresa Limited (Formerly Known as Paco Exports Limited)	3,04,79,968	42.16	2,98,29,968	41.26
HDFC Trustee Co Ltd A/C HDFC Housing Opportunities Fund-1140D November 2017 (1)	-	-	43,23,984	5.98
Sundaram Mutual Fund A/C Sundaram Emerging Small Cap - Series I	-	-	39,07,209	5.40

- (d) Pursuant to the Scheme of arrangement the Company had issued 7,22,96,395 equity shares to the shareholders of HSIL Limited. On 23rd August 2019 (Allotment date) Somany Home innovation Limited had issued one equity share for every equity share held of HSIL Limited on the date of 20th August 2019 (Record date) for consideration other than cash.

NOTE 18 - OTHER EQUITY

(₹ in lakh)

Particulars	Reserves and surplus					Other comprehensive income	Total
	Capital Reserve	Securities Premium Reserve	General reserve	Retained earnings	Foreign currency translation reserve	Actuarial gain / (loss)	
Balance as at 1 April 2019	49.88	7,238.97	2,449.08	14,367.90	46.99	64.40	24,217.22
Profit for the year	-	-	-	2,310.93	-	-	2,310.93
Other comprehensive income for the year (net of tax)	-	-	-	-	0.28	(38.06)	(37.78)
Total comprehensive income for the year	-	-	-	2,310.93	0.28	(38.06)	2,273.15
Payment of dividends tax *	-	-	-	(513.88)	-	-	(513.88)
Balance as at 31 March 2020	49.88	7,238.97	2,449.08	16,164.95	47.27	26.34	25,976.49
Profit for the year	-	-	-	5,484.28	-	-	5,484.28
Other comprehensive income for the year (net of tax)	-	-	-	-	0.58	195.47	196.05
Total comprehensive income for the year	-	-	-	5,484.28	0.58	195.47	5,680.33
Payment of dividend	-	-	-	(108.44)	-	-	(108.44)
Balance as at 31 March 2021	49.88	7,238.97	2,449.08	21,540.79	47.85	221.81	31,548.38

* Corporate dividend tax paid by a subsidiary company on interim dividend of ₹ 2,500 lakh received by the Company.

Nature and purpose of other reserves:

1. Capital reserve was created on amalgamation of certain entities/undertaking into the Company.
2. Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.
3. General reserves was created by transferring certain amount out of profits at the time of distribution of dividend in the past.

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NOTE 19 - NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
Measured at amortised cost		
Secured:		
Term loans from banks:		
rupee loans	4,750.00	5,000.00
Term loans from non-banking finance company:		
vehicle loan	6.96	10.00
	4,756.96	5,010.00
Less: Current maturities of long term borrowing (refer note 25)	503.32	253.04
	4,253.64	4,756.96

Terms and conditions of outstanding borrowings are as follows:

Particulars	Currency	Interest Rate	Year of maturity	Carrying amount as at 31 March 2021	Carrying amount as at 31 March 2020	Remarks
Secured loan from bank- rupee loans	₹	1 year MCLR + 8 bps	2026-27	4,750.00	5,000.00	Refer Note 1 below
Secured loan from NBFC- vehicle loan	₹	8.99% p.a.	2022-23	6.96	10.00	Refer Note 2 below

Note:

- Rupee loan is secured by first pari-passu Charge on Movable Fixed Assets (PPE) of the company. Term loan from bank aggregating to ₹ 4,750 lakh (previous year ₹ 5,000 lakh) is repayable in 12 half yearly instalments from June 2021 to December 2026.
- Vehicle loan having carrying amount of ₹ 6.96 lakh (previous year ₹ 10.00 lakh), is secured by way of hypothecation of the respective vehicle thus purchased and repayable in 24 monthly instalments from 1st April 2021.

NOTE 20 - NON-CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
Trade deposits	3,200.61	2,976.63
Lease liability (refer note 46)	4,399.31	6,785.94
	7,599.92	9,762.57

NOTE 21 - NON-CURRENT LIABILITIES - PROVISIONS

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Long-term employee benefits		
Provision for compensated absences	495.45	471.71
Provision for long service award	88.85	78.33
Provision for gratuity	11.67	0.84
Provision for warranty (refer note 28)	231.64	186.64
	827.61	737.52

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Particulars	(₹ in lakh)	
	As at 31 March 2020	As at 31 March 2021
Balance as at 1 April 2019	318.28	
Additional provisions recognised (included in Other expenses)	195.68	
Utilised during the year	(122.91)	
	391.05	
Less: Current liability (refer note 28)	204.41	
Balance as at 31 March 2020	186.64	
Balance as at 1 April 2020	391.05	
Additional provisions recognised (included in Other expenses)	98.50	
Utilised during the year	-	
	489.55	
Less: Current liability (refer note 28)	257.91	
Balance as at 31 March 2021	231.64	

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 / Group 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, services 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.

NOTE 22 - OTHER NON-CURRENT LIABILITIES

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
Employee related payables	144.88	175.38
	144.88	175.38

NOTE 23 - CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
Secured borrowings		
From banks		
Cash credit - loans repayable on demand	1,209.88	4,481.49
Working capital demand loan	12,976.86	23,314.00
	14,186.74	27,795.49

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

Secured borrowings

Cash credit facilities:

- a) i) Cash credit facilities from banks is repayable on demand and is secured by hypothecation of all current assets including stocks and book debts, present and future

In case of Hintastica Private Limited

- ii) The Cash credit facility is also secured by way of first pari-passu charge on the movable fixed assets of the company both present and future.
- iii) The Cash credit facility is also secured by way of first pari passu charge on all the immovable fixed assets both present and future. The company does not have any immovable property as of now. However, future immovable fixed assets including the proposed manufacturing facility shall have first pari passu charge of HDFC Bank. Charge over land (included in capital work in progress) shall be created subsequent to transfer of ownership in favour of company.
- iv) The Cash credit facility is also secured by a Corporate Guarantee from holding company.
- v) The interest rate for the above facility carried upto 10% p.a. during the year

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Short term loan facilities:

- b) Working capital demand loan from banks repayable within 7 days to 65 days from disbursement and is secured by hypothecation of all current assets including stocks and book debts, present and future, of the Company.
- c) The interest rate for the above short term borrowings varies from 5.05% p.a. to 9.50% p.a.

NOTE 24 - TRADE PAYABLES

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
- total outstanding dues of micro and small enterprises	4,705.98	3,129.58
- total outstanding dues of creditors other than micro and small enterprises	9,679.24	8,089.40
Trade payable *	14,385.22	11,218.98

* Including of HSIL Limited of ₹ 1,558.89 lakh (previous year ₹ 3,016.69 lakh)

* 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 2021	As at 31 March 2020
Principal amount overdue remaining unpaid to any supplier	1,166.86	1,881.70
Interest due thereon remaining unpaid to any supplier	17.92	256.14
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	212.24	Nil
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	347.67	Nil
Interest accrued and remaining unpaid	365.59	256.14

NOTE 25 - CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

Particulars	(₹ in lakh)	
	As at 31 March 2021	As at 31 March 2020
Current maturities of long-term borrowings (refer note 19)	503.32	253.04
Interest accrued but not due on borrowings	61.50	91.05
Unpaid dividends [^]	1.18	-
Earnest money deposits	4.21	2.95
Security deposits/retention money payable	98.33	44.33
Others		
Towards capital creditors #	176.79	77.58
Employee related payables	2,824.84	2,923.75
Towards expenses payable *	5,729.52	3,490.47
Commission payable to directors	254.01	65.95
Gratuity payable (net obligation)	92.44	166.66
Other payables	10,653.58	6,669.17
Lease liability (refer note 46)	905.19	1,348.54
	21,304.91	15,133.49

[^] Not due for deposit in Investors Education and Protection Fund

including of HSIL Limited of ₹ 173.12 lakh (previous year nil)

* including of HSIL Limited of ₹ 839.87 lakh (previous year ₹ 436.19 lakh)

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NOTE 26 - OTHER CURRENT LIABILITIES

(₹ in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Advances received from customers	827.93	945.01
Payable towards statutory dues	5,384.03	2,205.80
Other payables	76.81	25.88
	6,288.77	3,176.69

NOTE 27 - INCOME TAX LIABILITIES (NET)

(₹ in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax liabilities (net)	1,556.19	553.77
	1,556.19	553.77

NOTE 28 - CURRENT LIABILITIES - PROVISIONS

(₹ in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Long-term employee benefits		
Provision for compensated absences	52.02	24.11
Provision for Long service award	5.80	9.48
Provision for gratuity	0.18	0.02
Provision for warranty (refer note 21)	257.91	204.41
	315.91	238.02

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 / Group 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, services 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.

NOTE 29 - REVENUE FROM OPERATIONS

(₹ in lakh)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
i) Revenue from operations		
Sale of goods	1,74,458.63	1,59,624.47
Sale from rendering of services	195.86	13.97
Other operating revenue @	2,866.77	1,674.01
	1,77,521.26	1,61,312.45
Segment wise revenue information		
a) Consumer appliances business	45,469.47	36,157.95
b) Retail business	5,851.13	9,067.00
c) Building products	1,26,196.01	1,16,087.50
d) Others	4.65	-
Total	1,77,521.26	1,61,312.45
Less: Inter segment revenue	-	-
Total income from operations	1,77,521.26	1,61,312.45

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Particulars	(₹ in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
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		
a) Sale of Goods	827.93	945.01
b) Sale of Services	-	-
iii) Reconciliation of contract price vis a vis revenue recognised in profit and loss statement is as follows:-		
Contract Price		
a) Sale of goods	2,67,689.29	2,36,685.98
b) Sale of Service	195.86	13.97
c) Other operating revenue	2,866.77	1,674.01
Adjustment:-		
Discount/Rebate	93,230.66	77,061.51
Revenue recognised in the statement of profit and loss account	1,77,521.26	1,61,312.45
@ Other operating revenues comprise of:		
Sundry balances and liabilities no longer required, written back	1,861.53	826.83
Gain on foreign exchange fluctuations	215.67	132.23
Insurance claims received	220.01	94.20
Scrap sales	9.52	37.75
Miscellaneous receipts	560.04	583.00
	2,866.77	1,674.01

NOTE 30 - OTHER INCOME

Particulars	(₹ in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income on financial assets	84.18	49.26
Excess balances and liabilities written back	0.09	0.01
Rental income	0.08	0.02
Profit on sale of current investments (net)	1.28	0.04
Profit on sale of property, plant and equipment	11.34	6.71
Gain arising on financials instruments designated as at FVTPL (net)	4.09	1.56
Management fee	1,193.26	1,977.74
Miscellaneous income	512.67	396.06
	1,806.99	2,431.40

NOTE 31 - PURCHASES OF TRADED GOODS

Particulars	(₹ in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Sanitaryware and other products	83,620.48	79,443.59
Consumer appliances, home furnishing and others	32,632.01	31,040.20
	1,16,252.49	1,10,483.79

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NOTE 32 - CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	(₹ in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventories at the end of the year:		
Stock-in-trade	27,867.28	30,997.93
	27,867.28	30,997.93
Inventories at the beginning of the year:		
Stock-in-trade	30,997.93	27,929.42
	30,997.93	27,929.42
Change in stock	3,130.65	(3,068.51)

NOTE 33 - EMPLOYEE BENEFITS EXPENSE

Particulars	(₹ in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	16,475.22	16,115.86
Contribution to provident funds and other funds	871.91	747.73
Staff welfare expenses	736.35	872.37
	18,083.48	17,735.96

NOTE 34 - FINANCE COST

Particulars	(₹ in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on financial liabilities	2,154.30	2,673.96
Interest on lease liability (refer note 46)	591.07	616.16
Other interest expenses	203.39	41.36
	2,948.76	3,331.48

NOTE 35 - DEPRECIATION AND AMORTISATION

Particulars	(₹ in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation, amortisation and impairment of property, plant and equipment (refer note 4)	2,486.07	2,630.17
Amortisation of other intangible assets (refer note 5)	68.11	97.93
Depreciation of right to use-building (refer note 4)	1,373.31	1,871.17
	3,927.49	4,599.27

NOTE 36 - OTHER EXPENSES

Particulars	(₹ in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Power and fuel	71.74	190.44
Consumption of stores and spares	8.31	12.59
Consumption of packing material	506.56	470.38
Repairs and maintenance:		
Buildings	5.54	27.43
Plant and machinery	1.87	2.43
Others	454.99	425.20
Rent (including hire charges)	1,260.92	1,330.68

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Particulars	(₹ in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Rates and taxes	42.25	13.01
Directors sitting fees	15.45	2.75
Insurance	331.30	238.18
Travelling and conveyance	2,095.09	3,194.77
Commission on sales	334.66	318.43
Freight and forwarding charges	111.95	74.39
Advertisement and publicity	6,875.07	7,921.86
Transportation and forwarding	7,632.17	7,290.36
Sales promotion expenses	609.25	1,374.41
Other selling expenses	1,402.81	885.73
Provision for expected credit loss (Refer note 11)	1,191.66	669.60
Provision for doubtful advances/debts	79.75	1.72
Bad debts written off	5.44	32.94
Corporate social responsibility expenditure	42.00	-
Charity and donation	26.00	-
Loss/(gain) on foreign exchange fluctuation	-	33.31
Loss on sale of property, plant and equipment	38.09	23.47
Management Fees	337.08	147.00
Miscellaneous expenses	2,263.95	2,664.18
	25,743.90	27,345.26

NOTE 37 - RELATED PARTY TRANSACTIONS

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures" details are as under:

List of related parties

Relationship	Name of related party (as identified by the management)
Key management personnel (KMP)	Executive director Mr. Rakesh Kaul- Whole-Time Director and CEO
	Executive/ Key Managerial Personnel Mr. Naveen Malik- Chief Financial Officer Ms. Payal M Puri- Company Secretary
	Non-executive directors Mr. Sandip Somany (Non-Executive Non-Independent Director) Mr. Ashok Jaipuria- Independent Director Mr. Nand Gopal Khaitan- Independent Director Mr. Salil Kumar Bhandari- Independent Director Ms. Anisha Motwani- Independent Director
Relatives of Key management personnel	Mrs. Sumita Somany (Wife of Mr. Sandip Somany)(appointed in Brillocca Limited w.e.f. 1st August 2020)
Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company	Textool Mercantile Private Limited Khaitan & Co., LLP
Others	HSIL Limited (Subsidiary of Somany Impresa Limited w.e.f. 31-Dec-2020) (read with note no.17)
Post employment benefit plan	Somany Provident Fund Institution

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

(₹ in lakh)

Particulars	Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company	
	31 March 2021	31 March 2020
Transactions during the year *		
1. Sale of goods to		
HSIL Limited	28.92	-
2. Sale of property plant & equipment to		
HSIL Limited	32.96	-
3. Purchase of property plant & equipment from		
HSIL Limited	798.77	-
4. Purchase of goods from		
HSIL Limited	60,059.69	-
5. Reimbursement of expenses paid to		
HSIL Limited	18.36	-
6. Reimbursement of expenses received from		
HSIL Limited	3.58	-
7. Payment for Management support services received		
HSIL Limited	1,193.26	-
8. Management fees paid to		
HSIL Limited	337.08	-
9. Rent paid to		
HSIL Limited	890.20	-
Textool Mercantile Private Limited	2.80	1.12
10. Contribution made		
Somany Provident Fund Institution	-	113.74
11. Consultancy fees paid to		
Khaitan & Co. LLP	1.50	-
12. Security Deposit given to		
HSIL Limited	74.18	-
Balances outstanding at the end of the year		
HSIL Limited - Payable	418.79	-
Khaitan & Co. LLP - Payable	0.51	-
Textool Mercantile Private Limited	-	0.21

* Exclusive of GST, wherever applicable

The remuneration and other transactions with key management personnel and their relatives during the year were as follows:

(₹ in lakh)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Transactions during the year		
Sale of good to		
Mr Salil Bhandari	0.50	-
Remuneration to Key Managerial Personnel and their relatives		
Mr. Sandip Somany	496.71	-
Mr. Rakesh Kaul	182.25	83.72
Mr. Naveen Malik	73.01	34.34
Ms. Payal Puri	69.29	32.73
Commission and other payments to non executive directors	58.41	8.26
Mrs. Sumita Somany	58.37	-

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Particulars	(₹ in lakh)	
	Year ended 31 March 2021	Year ended 31 March 2020
Remuneration payable		
Mr. Sandip Somany	153.87	-
Mr. Rakesh Kaul	4.33	6.72
Mr. Naveen Malik	4.36	3.01
Ms. Payal Puri	4.44	3.32
Ms Sumita Somany	2.59	-
Commission and other payments to non executive directors	46.95	6.01

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

Particulars	(₹ in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Short-term employee benefits #	890.44	152.47
Post-employment benefits		
- Defined contribution plan §	47.60	6.58
	938.04	159.05

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

§ Including provident fund, leave encashment paid and any other benefit.

Disclosure pursuant to Regulation 34(3) read with Schedule V, part A, Clause 2(2A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

Promoter/promoter group companies holding more than 10% of equity share capital of the Company:

HSIL Limited

Particulars	(₹ in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Nature of transaction *		
1. Purchase of Sanitaryware, faucet, pipe and other products	60,059.69	63,391.62
2. Sale of goods	28.92	-
3. Sale of assets	32.96	-
4. Purchase of property plant & equipment and CWIP	798.77	-
5. Godown rent	890.20	891.88
6. Security deposit	74.18	-
7. Management support services received	337.08	147.00
8. Management support services provided	1,193.26	1,977.74
9. Reimbursement of expenses received	3.58	0.87
10. Reimbursement of expenses paid	18.36	-
11. Loan taken	-	1.00
12. Loan repayment	-	19.00
13. Interest on loan	-	0.88
Balances outstanding as at the end of the year		
Payable outstanding	418.79	2,497.40

* Exclusive of GST, wherever applicable

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NOTE - 38 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

(₹ in lakh)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(As certified by the management)		
a) Demands raised by the service-tax authorities against which appeals have been filed	77.77	77.77
b) Demands made by the sales tax authorities against which appeals have been filed	1,430.12	1,428.78
c) Goods and service tax	189.42	-
d) Claims against the Group not acknowledged as debts	334.22	135.77

NOTE - 39 CAPITAL AND OTHER COMMITMENTS

(₹ in lakh)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Commitments relating to contracts remaining to be executed on capital account and other commitments not provided for	493.99	483.28

NOTE - 40 PAYMENT TO STATUTORY AUDITORS (EXCLUDING GOODS AND SERVICE TAX)

(₹ in lakh)

Particulars	Year ended 31 March 2021	As at 31 March 2020
As auditors	21.17	20.80
For taxation matters	4.75	4.75
Other services	8.58	8.85
For reimbursement of expenses	0.93	-
	35.43	34.40

NOTE 41 CURRENT TAX AND DEFERRED TAX

(a) Income tax expense through profit and loss

(₹ in lakh)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax:		
Current income tax	3,668.85	1,830.23
Earlier year income tax	(427.47)	-
Minimum alternative tax:		
Minimum Alternative Tax entitlement / charged	0.03	-
	3,241.41	1,830.23
Deferred tax:		
In respect of current year origination and reversal of temporary differences	515.79	(824.56)
Total tax expense recognised in profit and loss account	3,757.20	1,005.67

(b) Income tax on other comprehensive income

(₹ in lakh)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax		
Re-measurement of defined benefit obligations	(73.74)	14.13
	(73.74)	14.13

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2021

(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 holding company at 34.944% (31 March 2020: 34.944%) and the reported tax expense in the statement of profit and loss are as follows:

Particulars	(₹ in lakh)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	9,241.48	3,316.60
Domestic tax rate for the holding Company	34.944%	34.944%
Latest statutory enacted income tax for the Company	3,229.34	1,158.95
Tax effect of:		
- Non deductible expenses	180.28	296.88
- Differential tax rate for foreign subsidiary	8.28	(19.24)
- Differential tax rate of domestic subsidiary	(854.48)	(559.86)
- Tax rate difference	-	67.52
- Capital gain tax on slump sale	805.42	-
- Goodwill impact (refer note (e) below)	866.22	-
- Earlier year income tax	(427.44)	-
- Deferred tax not recognised on subsidiary companies loss	(71.23)	-
Others	20.81	61.42
Income-tax recognised in statement of profit and loss	3,757.20	1,005.67

(d) There is no change in statutory enacted income-tax rate of holding company during the financial year.

(e) Pursuant to Finance Act 2021 disallowing the amortization of goodwill, holding company during the year ended 31 March 2021, de-recognized the deferred tax benefits of ₹ 866.22 lakh.

NOTE - 42 FINANCIAL INSTRUMENTS AND RISK REVIEW

Capital management

The Group 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 19 and 23; cash and cash equivalents as disclosed in note 12 and equity attributable to equity holders of the Group, 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 Group attributable to equity holders of the Company. The Group is not subject to externally imposed capital requirements. The Board of Directors of the respective company in the Group 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 Audit Committee and the Board of Directors of the respective company in the Group.

The following table summarises the capital of the Company

	Note	(₹ in lakh)	
		As at 31 March 2021	As at 31 March 2020
Equity *		32,994.31	27,422.42
Liquid assets (cash and cash equivalent and current investments) (a)		3,324.46	293.86
Current borrowings	23	14,186.74	27,795.49
Non-current borrowings	19	4,253.64	4,756.96
Current maturities of non current borrowings	25	503.32	253.04
Total debt (b)		18,943.70	32,805.49
Net debt [c = (b) - (a)]		15,619.24	32,511.63
Total capital (equity+net debt)		48,613.55	59,934.05
Gearing ratio			
Debt to equity		57%	120%
Net debt to equity ratio		47%	119%

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2021

Categories of financial instruments

Categories of financial assets/(liabilities)

(₹ in lakh)

Particulars	Note	As at 31 March 2021			As at 31 March 2020		
		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	11	40,765.19	-	-	35,917.90	-	-
Loans	6,14	671.70	-	-	610.21	-	-
Other financial assets	15	-	-	-	955.52	-	-
Cash and bank balances	12, 13	761.62	-	-	266.67	-	-
Loans and other receivables		42,198.51	-	-	37,750.30	-	-
Financial assets measured at fair value							
Investments	10	2,564.02	4.09	-	27.19	1.56	-
Financial assets at fair value		2,564.02	4.09	-	27.19	1.56	-
Total financial assets		44,762.53	4.09	-	37,777.49	1.56	-
Financial liabilities							
Financial liabilities measured at amortised cost							
Current payables	23, 24, 25	49,876.87	-	-	54,147.96	-	-
Non-current payables	20	7,599.92	-	-	9,762.57	-	-
Non-current borrowings	19	4,253.64	-	-	4,756.96	-	-
Financial liabilities measured at amortised cost		61,730.43	-	-	68,667.49	-	-
Total financial assets/(liabilities)		(16,967.90)	4.09	-	(30,890.00)	1.56	-

Financial risk management objective

The Group is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk. The Group 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 of the respective company in the Group, 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.

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 Group 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 Group 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 Group has also availed borrowings. The Company does not maintain significant deposit balances other than those required for its day to day operations.

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

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Trade receivables

The Group extends credits to customer in normal course of the business. The Group 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 Group monitors the payment track record of each customer and outstanding customer receivables are regularly monitored. The Group 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 Group 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 20 to 90 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 Group 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

Expected credit loss:

The Group 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 past due trade receivables

Period	As at	
	31 March 2021	31 March 2020
Not due for payment	19,321.83	9,056.83
Up to 6 months	16,443.93	22,694.28
From 6 months to 1 year	1,715.31	1,726.01
From 1 year to 3 years	4,009.96	2,999.54
More than 3 years	3,397.86	2,373.28

(₹ in lakh)

Ageing of impaired trade receivables

Period	As at	
	31 March 2021	31 March 2020
Up to 6 months	-	-
From 6 months to 1 year *	8.34	75.37
From 1 year to 3 years	717.51	483.39
More than 3 years	3,397.85	2,373.28

(₹ in lakh)

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2021

* 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 Group objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group 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 Group 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.

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 2021				Total
	Note	not later than one year	later than one year and not later than five years	later than five years	
Financial liabilities					
Borrowings - bank loans	19,23,25	14,690.07	3,003.64	1,250.00	18,943.71
Current payables	24,25	35,579.87	-	-	35,579.87
Non-current payables	20	-	3,919.41	4,718.86	8,638.27
Total		50,269.94	6,923.05	5,968.86	63,161.85

(₹ in lakh)

Particulars	As at 31 March 2020				Total
	Note	not later than one year	later than one year and not later than five years	later than five years	
Financial liabilities					
Borrowings - bank loans	19,23,25	28,048.53	2,756.96	2,000.00	32,805.49
Current payables	24,25	26,687.61	-	-	26,687.61
Non-current payables	20	-	6,772.92	4,501.42	11,274.34
Total		54,736.14	9,529.88	6,501.42	70,767.44

(₹ in lakh)

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group 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 of its products.

Forward foreign exchange contract to hedge the exchange rate risk arising on translation of the foreign currency loans.

Currency risk

The Group 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 Group transacts business primarily in Indian Rupee, USD, Euro and AED. The Group has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Group 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.

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2021

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:

(in lakh)			
Particulars	Currency	As at 31 March 2021	As at 31 March 2020
Trade receivables	USD	5.77	14.46
Trade payables	USD	38.77	11.53
	EUR	0.68	1.09
	AED	-	0.13
(in ₹)			
Currency rate		As at 31 March 2021	As at 31 March 2020
USD		73.5047	75.3859
EUR		86.0990	83.0496
AED		-	20.4905

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

(in lakh)			
Particulars	Currency	As at 31 March 2021	As at 31 March 2020
Trade receivables	USD	5.77	14.46
Trade payables	USD	38.77	11.53
	EUR	0.68	1.09
	AED	-	0.13

Sensitivity analysis

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

(₹ in lakh)			
Currency	Change in currency exchange rate	Effect on profit before tax 31 March 2021	Effect on profit before tax 31 March 2020
USD	5%	(121.27)	11.07
	-5%	121.27	(11.07)
EUR	5%	(2.91)	(4.53)
	-5%	2.91	4.53
AED	5%	-	(0.13)
	-5%	-	0.13

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

Interest rate risk

The Group'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:

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2021

(₹ in lakh)

Particulars	Change in interest rate	Effect on profit before tax 31 March 2021	Effect on profit before tax 31 March 2020
Non-current borrowings	0.50%	(23.78)	(25.05)
	-0.50%	23.78	25.05

Commodity risk

The Company is exposed to the movement in the price of traded goods in the domestic and international markets. The Company has in place policies to manage exposure to fluctuation in 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.

Fair valuation techniques and inputs used

Financial assets	Fair value as at (₹ in lakh)		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	31 March 2021	31 March 2020				
Current investments	2,564.02	27.19	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.

NOTE 43 - SEGMENT REPORTING

Identification of segment:

The group's operating business are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The group has accordingly identified to primary business segments i.e. building products, consumer appliances business, and retail business.

The activities of the group are primarily limited with in the Indian Territories having no variation in risk and returns. Consequently, information in respect of geographical segment in not given.

Unallocated items: The corporate and other segment includes general corporate income and expense items, which is not allocated to any business segment.

(₹ in lakh)

Particulars	Building products	Consumer appliances business	Retail business	Others	Inter segment elimination	Unallocated	Total
Segment revenue							
For the year ended 31 March 2021	1,26,196.01	45,469.47	5,851.13	4.65	-	-	1,77,521.26
For the year ended 31 March 2020	1,16,087.50	36,157.95	9,067.00	-	-	-	1,61,312.45
Other income							
For the year ended 31 March 2021	1,421.95	218.94	158.77	0.58	-	6.75	1,806.99
For the year ended 31 March 2020	2,054.21	308.67	85.75	1.14	(24.62)	6.25	2,431.40
Segment results							
For the year ended 31 March 2021	10,569.76	2,626.58	(752.35)	(23.87)	-	(229.88)	12,190.24
For the year ended 31 March 2020	7,675.48	576.19	(1,495.66)	(56.57)	-	(51.36)	6,648.08

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2021

							(₹ in lakh)
Particulars	Building products	Consumer appliances business	Retail business	Others	Inter segment elimination	Unallocated	Total
Interest expenses							
For the year ended 31 March 2021							2,948.76
For the year ended 31 March 2020							3,331.48
Exceptional item							
For the year ended 31 March 2021	-	-	-	-	-	-	-
For the year ended 31 March 2020	-	-	-	-	-	-	-
Income tax (including deferred tax)							
For the year ended 31 March 2021							3,757.20
For the year ended 31 March 2020							1,005.67
Profit after tax							
For the year ended 31 March 2021							5,484.28
For the year ended 31 March 2020							2,310.93
Other information							
Segment assets							
31 March 2021	62,261.39	35,315.15	3,797.27	71.99	-	2,412.30	1,03,858.10
31 March 2020	61,264.70	28,338.76	7,872.06	88.14	-	3,407.63	1,00,971.29
Segment liabilities							
31 March 2021	38,372.99	25,769.12	5,863.15	8.05	-	850.48	70,863.79
31 March 2020	43,404.71	19,328.36	10,731.76	24.67	-	59.37	73,548.87
Capital expenditure							
For the year ended 31 March 2021	1,318.52	1,631.76	13.57	-	(4.64)	-	2,959.21
For the year ended 31 March 2020	2,128.94	943.05	48.99	-	-	-	3,120.98
Depreciation and amortisation							
For the year ended 31 March 2021	2,375.18	739.12	809.41	3.78	-	-	3,927.49
For the year ended 31 March 2020	2,412.55	896.53	1,286.65	3.54	-	-	4,599.27
Other non-cash expenses							
Provision for doubtful debts and advances							
For the year ended 31 March 2021	1,021.13	250.28	-	-	-	-	1,271.41
For the year ended 31 March 2020	591.14	66.02	14.16	-	-	-	671.32

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2021

NOTE 44 - EMPLOYEE BENEFITS

A. Defined contribution plan

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

The Company and a subsidiary contribution to Provident Fund and Superannuation Fund aggregating to ₹ 605.79 lakh (previous year ₹ 531.20 lakhs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

B. Defined benefit plans

Gratuity

The Company and a subsidiary 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 respective 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 / Group annual contribution to the group gratuity scheme administered by the Birla Sun Life Insurance Company Limited. (Refer note 49)

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

Particulars	Gratuity (Funded plan)	
	31 March 2021	31 March 2020
Current service cost	187.32	169.21
Net interest expense/(income)	6.34	(0.67)
Components of defined benefit costs recognised in profit or loss	193.66	168.54
Net actuarial (gain)/loss	(44.31)	31.14
Expected return on plan assets excluding interest income	(223.57)	20.80
Components of defined benefit costs recognised in other comprehensive income	(267.88)	51.94
I. Net asset/(liability) recognised in the balance sheet as at 31 March		
1. Present value of defined benefit obligation	766.88	729.23
2. Fair value of plan assets	674.44	562.57
3. Deficit	92.44	166.66
4. Current portion of the above	92.44	166.66
5. Non-Current Portion of the above	-	-
Change in the obligation during the year ended 31 March		
1. Present value of defined benefit obligation at the beginning of the year	729.23	537.40
2. Expenses recognised in the statements of profit and loss		
- Current service cost	187.32	169.21
- Interest expense	45.44	34.32
3. Recognised in other comprehensive income		
- Actuarial (gain)/loss arising from experience adjustments	(14.66)	(46.61)
- Actuarial (gain)/loss arising from financial assumption	(29.65)	77.75
4. Benefit payments	(150.80)	(42.84)
5. Present value of defined benefit obligation at the end of the year	766.88	729.23

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for the year ended 31 March 2021

Particulars	(₹ in lakh)	
	Gratuity (Funded plan)	
	31 March 2021	31 March 2020
III. Change in fair value of assets		
1. Fair value of plan assets at the beginning of the year	562.57	526.31
2. Recognised in the statement profit and loss		
- Expected return on plan assets	39.10	34.99
3. Recognised in other comprehensive income		
- Actual return on plan assets in excess of the expected return	223.57	(20.80)
4. Contributions by employer (including benefit payments recoverable)	-	64.91
5. Benefit payments	(150.80)	(42.84)
6. Fair value of plan assets at the end of the year	674.44	562.57

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

Particulars	(₹ in lakh)	
	Gratuity (Unfunded plan)	
	31 March 2021	31 March 2020
Current service cost	1.11	0.13
Net interest expense/(income)	0.23	0.04
Past service cost	-	-
Components of defined benefit costs recognised in profit or loss	1.34	0.17
Net actuarial (gain)/loss	(1.33)	0.25
Expected return on plan assets excluding interest income	-	-
Components of defined benefit costs recognised in other comprehensive income	(1.33)	0.25
II. Change in the obligation during the year ended 31 March		
1. Present value of defined benefit obligation at the beginning of the year	0.86	0.44
2. Defined benefit obligation received on account of business acquisition	10.97	-
3. Expenses recognised in the statements of profit and loss		
- Current service cost	1.11	0.13
- Interest expense	0.23	0.04
4. Recognised in other comprehensive income		
- Actuarial (gain)/loss arising from experience adjustments	(0.95)	-
- Actuarial (gain)/loss arising from financial assumption	(0.37)	0.25
5. Benefit payments	-	-
6. Present value of defined benefit obligation at the end of the year	11.85	0.86

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 2021	31 March 2020
1. Discount rate	6.80%-6.95%	6.65%-6.80%
2. Expected rate of increase in compensation level	5.50% - 6.50%	5.50% - 6.50%
3. Expected rate of return on plan assets	6.95%	6.65%
4. Attrition rate	1.00%	1.00%
5. Mortality table	IALM 2012-14	IALM 2006-08
6. Superannuation age	58	58

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2021

VI. Sensitivity analysis

Particulars	31 March 2021		31 March 2020	
	Change in assumption	Effect on gratuity obligation	Change in assumption	Effect on gratuity obligation
	Discount rate	0.50%	(46.78)	0.50%
Expected rate of increase in compensation level	-0.50%	51.19	-0.50%	46.65
	0.50%	48.54	0.50%	43.88
	-0.50%	(45.06)	-0.50%	(40.79)

(₹ In lakh)

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	For the year ended	For the year ended
	31 March 2021	31 March 2020
1. Defined benefit obligation	766.88	729.23
2. Fair value of plan assets	674.44	562.57
3. Surplus/(deficit)	(92.44)	(166.66)
4. Experience adjustment on plan liabilities gain/(loss)	14.66	46.61

(₹ in lakh)

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.

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

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Amounts recognised in the balance sheet		
Non current (refer note 21)	495.45	471.71
Current (refer note 28)	52.02	24.11
	547.47	495.82
Amounts recognised in the statement of profit and loss		
Current service cost	161.35	151.66
Interest cost	33.90	32.47
Actuarial loss	67.20	27.58
Total included in employee benefits expense	262.45	211.71
Reconciliation of opening and closing balances of benefit obligations		
Change in benefit obligation		
Defined benefit obligation at the beginning of the year	495.82	424.46
Interest cost	33.90	32.47
Defined benefit obligation on account of business acquisition	11.40	-
Current service cost	161.35	151.66
Benefits paid	(222.20)	(140.35)
Actuarial loss	67.20	27.58
Defined benefit obligation at the end of the year	547.47	495.82

(₹ in lakh)

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2021

NOTE 45 - EARNINGS PER SHARE

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit for the year attributable to owners of the Company (₹ in lakh)	5,484.28	2,310.93
Weighted average number of equity shares (nos.)	7,22,96,395	7,22,96,395
Nominal value per share (₹)	2.00	2.00
Earnings per share - basic and diluted (₹)	7.59	3.20

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

NOTE 46 ADOPTION OF IND AS 116 LEASES

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, 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 at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2021.

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.

The following is the break-up of current and non-current lease liabilities as at March 31, 2021

Particulars	(₹ in lakh)	
	31 March 2021	31 March 2020
Current lease liabilities	905.19	1,348.54
Non current lease liabilities	4,399.31	6,785.94
Total	5,304.50	8,134.48

The following is the movement in lease liabilities during the year ended March 31, 2021:

Particulars	(₹ in lakh)	
	31 March 2021	31 March 2020
Balance at the beginning	8,134.48	-
Addition	765.69	9,551.70
Finance cost accrued during the period	591.07	616.16
Deletions/adjustment	2,526.03	-
Payment of lease liabilities	1,436.69	2,033.39
Saving in lease rent	224.02	-
Balance at the end	5,304.50	8,134.48

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

Particulars	(₹ in lakh)	
	31 March 2021	31 March 2020
Less than one year	1,298.25	1,936.73
One to five years	3,919.41	6,772.92
More than five years	1,518.25	1,524.79
Total	6,735.91	10,234.44

Rental expense recorded for short-term leases was ₹ 1,260.92 lakh (Previous year ₹ 1,339.58 lakh) for the year ended March 31, 2021

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2021

NOTE 47 - FINANCIAL INSTRUMENTS BY CATEGORY

(₹ in lakh)

Particulars	As at 31 March 2021			As at 31 March 2020		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Non current financial assets						
Investments	-	-	-	-	-	-
Loans	-	-	612.11	-	-	603.39
Other financial assets	-	-	-	-	-	-
Current financial assets						
Investments	-	2,564.02	-	-	27.19	-
Trade receivable	-	-	40,765.19	-	-	35,917.90
Cash and cash equivalents	-	-	760.44	-	-	266.67
Bank balances other than cash and cash equivalents	-	-	1.18	-	-	-
Loans	-	-	59.59	-	-	6.82
Other financial assets	-	-	-	-	-	955.52
Total financial assets	-	2,564.02	42,198.51	-	27.19	37,750.30
Non current financial liabilities						
Non-current borrowings	-	-	4,253.64	-	-	4,756.96
Other financial liabilities	-	-	7,599.92	-	-	9,762.57
Current financial liabilities						
Current borrowings	-	-	14,186.74	-	-	27,795.49
Trade payables	-	-	14,385.22	-	-	11,218.98
Other financial liabilities	-	-	21,304.91	-	-	15,133.49
Total financial liabilities	-	-	61,730.43	-	-	68,667.49

NOTE 48 - ADDITIONAL INFORMATION TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2021 (PURSUANT TO SCHEDULE III TO THE COMPANIES ACT, 2013)

(₹ in lakh)

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit and loss	Amount	As a % of consolidated profit and loss	Amount	As a % of consolidated profit and loss
Parent Company								
Somany Home Innovation Limited	10,901.62	33.04	1,864.54	34.00	40.62	20.72	1,905.16	33.54
Subsidiaries:								
Hindware Home Retail Private Limited	66.48	0.20	123.53	2.25	0.03	0.02	123.56	2.18
Hintastica Private Limited	(251.87)	(0.76)	(270.65)	(4.94)	1.08	0.55	(269.57)	(4.75)
Brilloca Limited	25,925.32	78.58	7,192.32	131.14	153.74	78.42	7,346.06	129.32
Luxxis Heating Solutions Private Limited	18.24	0.06	(0.44)	(0.01)	-	-	(0.44)	(0.01)
Halis International Limited	24.76	0.08	(121.57)	(2.22)	0.54	0.28	(121.03)	(2.13)
Queo Bathroom Innovations Limited	26.18	0.08	(7.16)	(0.13)	0.04	0.01	(7.12)	(0.13)
Less: Eliminated on consolidation	(3,716.42)	(11.28)	(3,296.29)	(60.09)	-	-	(3,296.29)	(58.02)
Total	32,994.31	100.00	5,484.28	100.00	196.05	100.00	5,680.33	100.00

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2021

Additional information to consolidated financial statements as at 31 March 2020 (Pursuant to Schedule III to the Companies Act, 2013):

(₹ in lakh)

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit and loss	Amount	As a % of consolidated profit and loss	Amount	As a % of consolidated profit and loss
Parent Company								
Somany Home Innovation Limited	9,104.88	33.20	878.27	38.00	(5.70)	15.09	872.57	38.39
Subsidiaries:								
Hindware Home Retail Private Limited	(57.08)	(0.21)	(39.18)	(1.70)	(0.25)	0.65	(39.43)	(1.73)
Hintastica Private Limited	17.69	0.06	(2.31)	(0.10)	-	-	(2.31)	(0.10)
Brilloca Limited	18,579.26	67.75	4,033.44	174.54	(32.11)	85.00	4,001.33	176.03
Luxxis Heating Solutions Private Limited	18.69	0.07	0.20	0.01	-	-	0.20	0.01
Halis International Limited	94.80	0.35	(7.15)	(0.31)	1.28	(3.40)	(5.87)	(0.26)
Alchemy International Cooperatief U.A.	6.91	0.03	(50.48)	(2.18)	(2.92)	7.73	(53.40)	(2.35)
Haas International B.V.	58.88	0.21	(30.68)	(1.33)	1.92	(5.08)	(28.76)	(1.27)
Queo Bathroom Innovations Limited	33.38	0.12	(5.14)	(0.22)	-	-	(5.14)	(0.23)
Less: Eliminated on consolidation	(434.99)	(1.59)	(2,466.04)	(106.71)	-	-	(2,466.04)	(108.49)
Total	27,422.42	100.00	2,310.93	100.00	(37.78)	100.00	2,273.15	100.00

NOTE 49 - GRATUITY VALUATION

Gratuity liability as on 31 March, 2021 has been provided based on the actuarial valuation however pending final allocation of fund assets among transferor and resulting companies (Somany home innovation Limited and Brilloca Limited) has been done on the basis of estimates as per the management of the Group and transferor company (HSIL)

NOTE 50 - IMPACT OF COVID-19

To restrain the wide spread of COVID-19 pandemic in India, the Government of India declared lockdown which impacted the business activities during first half of the financial year 2020-2021. Accordingly figures for the year ended on 31 March 2021 are not comparable with corresponding year ended on 31 March 2020, on account of restriction in business activities. Considering current market scenario and company's quality product portfolio, brand image, long-standing relationships & goodwill with its customers, suppliers and other stakeholders, Group expects that the business operations, cash flows, future revenue, assets and liabilities will sustain going forward. The impact of any future events and developments, if any emerging out of the Pandemic and of events accruing after the date of financial statements of the year will be accounted for prospectively.

NOTE 51 - PROPOSED DIVIDEND

In respect of the current year ended 31 March 2021, the directors propose that a dividend of ₹ 0.30/- (Previous year ₹ 0.15/-) per share to be paid on equity shares of ₹ 2 per share. This equity dividend is subject to approval by shareholders at ensuing Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members. The total estimated equity dividend to be paid is ₹ 216.89 lakh (Previous year ₹ 108.44 lakh).

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2021

NOTE 52 - SLUMP SALE

- a) The Board of Directors of holding Company, in its meeting held on 23 June 2020, approved sale of Water Heater Business Undertaking (the "WHBU"), being part of Consumer Appliances business of Company, to its wholly owned subsidiary M/s. Hintastica Private Limited (the "HPL") by way of slump sale through Business Transfer Agreement (BTA) executed between the Company and HPL on 2 July, 2020. The Board of Directors of the holding Company at its meeting held on 30 December, 2020 also noted the consummation of the transaction with effect from 31 December, 2020.
- b) The Board of Directors of the holding Company, at its meeting held on 25 March, 2021 had approved the execution of Share Subscription and Shareholders Agreement ("SSHA") (along with the ancillary agreements) with M/s. Atlantic Societe Francaise De Development Thermique, France, ~Euro 2.2 billion multinational group ("Groupe Atlantic") and Hintastica Private Limited ("HPL"). Pursuant to the execution of SSHA, the holding Company had infused ₹ 766.59 lakh on 13 May 2021 by subscribing 25,300 equity shares at agreed valuation of ₹ 3,030 per share (₹ 10 face value plus Share Premium of ₹ 3,020 per share) in HPL, and Groupe Atlantic infused ₹ 6,826.59 lakh on 19 May 2021 by subscribing 225,300 equity shares at agreed valuation of ₹ 3,030 per share (₹ 10 face value plus Share Premium of ₹ 3,020 per share) in HPL, such that post aforesaid investments by the Company and Groupe Atlantic and post allotment of equity shares by HPL to the Company and Groupe Atlantic, HPL has become a 50:50 joint venture between the Company and Groupe Atlantic w.e.f. 20 May 2021 (subject to compliance of applicable closing conditions, regulatory fillings and approvals, if any, as may be applicable). Accordingly, the holding Company provided Income tax charge of ₹ 805.42 lakh during the year ended 31 March 2021 on profits of ₹ 3,474.70 lakh on slump sale of water heater undertaking made to its wholly owned subsidiary company (HPL).

NOTE 53 - LIQUIDATION OF SUBSIDIARY

Two foreign stepdown subsidiaries namely, Alchemy International Cooperatief U.A and Haas International B.V., incorporated in Netherlands, have been liquidated during the year ended 31 March 2021. The Company is in process of filing necessary form with the Designated AD category/ AD bank in this regard.

NOTE 54

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

In terms of our report attached.

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

N. K. Lodha
Partner
M. No. 85155
Place: New Delhi
Date: 26 May 2021

For and on behalf of the Board of Directors

Rakesh Kaul
Whole Time Director and CEO
DIN: 08560772

Payal M. Puri
Company Secretary
ACS No.: 16068

Sandip Somany
Chairman
DIN: 00053597

Naveen Malik
Chief Financial Officer

Place: Gurugram
Date: 26 May 2021

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 period for the 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	Hindware Home Retail Pvt. Ltd. (Subsidiary of Somany Home Innovation Limited)	INR	INR	64.00	2.48	450.04	450.04	-	1,781.19	71.70	(51.83)	123.53	0.03	123.56	-	100%
2	Billoca Limited (Subsidiary of Somany Home Innovation Limited)	INR	INR	490.00	25,435.32	64,298.35	64,298.35	2,564.02	1,26,196.01	9,312.97	2,120.65	7,192.32	153.74	7,346.06	2,450.00	100%
3	Hintastica Private Limited (Subsidiary of Somany Home Innovation Limited)	INR	INR	20.00	(271.87)	6,580.87	6,580.87	-	458.19	(324.34)	(53.69)	(270.65)	1.09	(269.56)	-	100%
4	Luxis Heating Solutions Private Limited (Subsidiary of Somany Home Innovation Limited)	INR	INR	20.00	(1.76)	18.81	18.81	-	-	(0.35)	0.09	(0.44)	-	(0.44)	-	100%
5	Halis International Ltd. (Subsidiary of Billoca Ltd.)	USD 1 = INR 73.5047	USD 1 = INR 73.5047	2,010.62	(1,985.86)	25.87	25.87	-	-	(121.57)	-	(121.57)	0.54	(121.03)	-	100%
6	Queo Bathroom Innovations Ltd. (Subsidiary of Halis International w.e.f 16 th March 2021, earlier subsidiary of Haas International B.V.)	GBP 1 = INR 100.9509	GBP 1 = INR 100.9509	5.36	20.83	32.57	32.57	-	-	(7.16)	-	(7.16)	0.04	(7.12)	-	100%

Note 1: Name of subsidiaries which are yet to commence operations : Nil

Note 2: Name of subsidiaries which have been liquidated or sold during the year

1. Alchemy International Cooperatief 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**

Sr. No.	Name of Associates/Joint Ventures	1. Latest audited Balance Sheet Date	No.	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	
				Amount of investment in Associates/Joint Venture	Extend of Holding %			i. Considered in Consolidation	i. Not considered in Consolidation		

Nil

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

Rakesh Kaul
Whole Time Director and CEO
DIN: 08560772

Sandip Somany
Vice Chairman and Managing Director
DIN: 00053597

Place: Gurugram
Date: 26 May 2021

Payal M. Puri
Company Secretary
ACS No.: 16068

Naveen Malik
Chief Financial Officer

SOMANY HOME INNOVATION LIMITED**CIN:** L74999WB2017PLC222970**Registered Office:** 2, Red Cross Place, Kolkata - 700 001, West Bengal, India**Phone:** +91-33-2248 7407/5668**E-mail:** investors@shilgroup.com; **Website:** www.shilgroup.com

Notice

Notice is hereby given that the 4th (fourth) Annual General Meeting of the members of Somany Home Innovation Limited will be held on Monday, 27 September 2021 at 12:00 Noon (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS

- To consider and adopt:

The audited financial statements of the Company for the financial year ended 31 March 2021, the reports of the Board of Directors and Auditors thereon and the audited consolidated financial statements of the Company for the financial year ended 31 March 2021 and Auditors' Report thereon.

- To declare Dividend on Equity Shares for the year ended 31 March 2021.
- To appoint a Director in place of Mr. Sandip Somany (DIN 00053597) who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

- Remuneration by way of Commission to the Directors (Other than Managing Director/ Whole-time Director)**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of earlier resolution(s) and in accordance with the provisions of Sections 197, 198, Schedule V and other applicable provisions and amendments thereto, if any, of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Nomination and Remuneration Policy and as recommended by the Nomination and Remuneration Committee of the Company and provisions of Articles of Association and subject to the approval of shareholders, the payment of Commission to the Directors of the Company (Other than the Managing Director/ Whole-time Director) (i) in case of profits, at the rate of 1% (one percent) on the net profits of the Company (to be divided amongst them, in such amounts or in proportion and in such manner as may be determined by the Board of Directors of the Company from time to time and in default of such determination equally) to be computed in the manner prescribed in Section 198 of the Companies Act, 2013 in any financial year of the Company; and (ii) in case of no profits or inadequate profits, up to

the prescribed limit in Schedule V of the Companies Act, 2013; for a period of 5 years commencing from 1 April 2021 up to 31 March 2026, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, proper and expedient in order to give effect to the above resolution."

By order of the Board
For Somany Home Innovation Limited

(Payal M Puri)

Company Secretary &
V. P. Group General Counsel
Membership No. A16068

Place: Gurugram
Date: 26 May 2021

NOTES:

- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts on special business under Sl. No. 4 is annexed hereto.
- In view of the current circumstances due to pandemic caused by COVID-19 prevailing in the country, requiring social distancing, and pursuant to General Circulars Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated 8 April 2020, 13 April 2020, 5 May 2020 and 13 January 2021 respectively issued by Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January 2021 issued by Securities and Exchange Board of India ("SEBI Circulars"), the 4th Annual General Meeting ("AGM") of the Company is being conducted through VC/OAVM, which does not require the physical presence of members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.
- Pursuant to MCA Circulars, since the AGM is conducted through VC/OAVM, where physical presence of members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies under Section 105 of the Act is not available for this AGM. However, in pursuance of Section 112 and 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote

e-voting for participation and voting in the AGM through VC/OAVM.

4. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. **M/s. Lodha & Co., Chartered Accountants, Firm Registration No. 301051E, were appointed as Statutory Auditors of the Company from conclusion of 1st Annual General Meeting till conclusion of 6th Annual General Meeting of the Company, subject to ratification at every Annual General Meeting of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors. The Ministry of Corporate Affairs (MCA) vide its circular dated 7 May 2018 notified various sections of the Companies (Amendment) Act, 2017, thereby modifying Section 139 of the Act. Accordingly, the requirement for ratification of appointment of Statutory Auditors by the shareholders at every Annual General Meeting has been omitted, hence no such resolution is proposed at this Annual General Meeting.**
6. A copy of the financial statements of the Company for the financial year ended 31 March 2021 together with the Auditors' and Directors' Reports thereon are enclosed.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 18 September 2021 to Monday, 27 September 2021 (both days inclusive). Dividend on equity shares, if declared at the meeting, will be paid to those shareholders whose names appear on the Company's Register of Members on 18 September 2021 and in respect of shares held in the dematerialised form, dividend will be paid to the beneficial owners as per details furnished by the depositories for this purpose as on close of business hours of Friday, 17 September 2021. The dividend, if declared, shall be paid by 4 October 2021.
8. Dividend, if declared, at the AGM will be credited to the bank account of respective shareholders through National Electronic Clearing Service (NECS)/Electronic Clearing Service (ECS) where such facility is available. Members holding shares in electronic mode are therefore requested to furnish their bank particulars in which they wish to receive dividend, through their Depository Participants (DPs). Members holding shares in physical form and desirous of availing the NECS/ECS facility, are requested to update their bank particulars by sending it to the Company's Registrar and Share Transfer Agent, M/s. Maheshwari Datamatics Private Limited (RTA), directly for instant credit of dividend and other cash entitlements.
9. Members holding shares in physical form and desirous of making a nomination or cancellation/variation in nomination already made in respect of

their shareholding in the Company, as permitted under Section 72 of the Act, are requested to submit the prescribed Form No. SH.13 to the RTA of the Company for nomination and Form No. SH.14 for cancellation/variation as the case may be. Shareholders holding shares in demat form are also advised to avail nomination facility by submitting the prescribed form to their respective DPs.

10. As a part of 'Green Initiative', members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the RTA in case the shares are held by them in physical form.
11. In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report for the FY 2020-21 are being sent only through electronic mode to those members whose email addresses are registered with the Company/DPs. Members may note that the Notice and Annual Report for the FY 2020-21 are also available on the Company's website i.e. www.shilgroup.com, websites of National Stock Exchange of India Limited i.e. www.nseindia.com and BSE Limited i.e. www.bseindia.com and on the website of CDSL i.e. www.evotingindia.com.
12. Securities and Exchange Board of India ("SEBI") has made it mandatory for all companies to use the bank account details furnished by the DPs and the bank account details maintained by the RTA of the Company for payment of dividend to members electronically. The Company is continuing to extend the facility of electronic credit of dividend directly to the respective bank accounts of the member(s) through ECS/NECS/Real Time Gross Settlement (RTGS)/Direct Credit, etc.

As directed by SEBI, the members holding shares in physical form are requested to submit particulars of their bank account alongwith the original cancelled cheque bearing the name of the member to RTA/Company to update their bank account details for online payment of dividend as being declared by the Company.

Members holding shares in demat form are requested to update their bank account details with their respective DPs. The Company or RTA cannot act on any request received directly from the members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the DPs of the members. Further instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode.

Pursuant to Finance Act, 2020, dividend income is taxable in the hands of shareholders w.e.f. 1 April 2020 and the Company is required to deduct income tax at source (TDS) from payment of dividend to shareholders at the prescribed rates. TDS rates for

various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/RTA (in case of shares held in physical mode) by clicking on <http://mdpl.in/form/pan-update> and DPs (in case of shares held in demat mode) on or before 17 September 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at applicable rates as mentioned in Finance Act, 2020.

13. Keeping in view the current pandemic situation, in the event the Company is unable to pay the dividend to any member directly in his/her bank account through ECS or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the Dividend Warrant/Bankers' Cheque/DD to such member, at the earliest once the normalcy is restored.
14. As required under Regulations 26(4) and 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI"), the relevant information in respect of Directors seeking appointment/re-appointment at the Annual General Meeting is provided herein below and forms a part of this Notice.
15. For shareholders holding shares in physical form, please send all correspondence including requests for change of address etc. to RTA of the Company.
16. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed to this Notice.
17. The Company has designated an exclusive e-mail ID "investors@shilgroup.com" for redressal of shareholders' complaints/grievances. If you have any query, please write to us at investors@shilgroup.com.
18. Electronic copy of all the documents as required under the Act and referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be available for inspection in the Investor Section of the website of the Company at www.shilgroup.com.
19. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the AGM through VC/OAVM Facility.
20. The Board of Directors have appointed Mr. Pravin Kumar Drolia, Practicing Company Secretary, Kolkata (FCS: 2366, CP: 1362), as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
21. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting (votes cast during the AGM and votes cast through remote e-voting) and make, within two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
22. The result declared alongwith the Scrutinizer's Report shall be placed on the Company's website i.e. www.shilgroup.com and on the website of CDSL www.evotingindia.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.
23. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting i.e. 27 September 2021.
24. The members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
25. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI LODR (as amended) and MCA Circulars, the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND ATTENDING AGM THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins at **9:00 a.m. (IST) on Friday, 24 September 2021 and ends at 5:00 p.m. (IST) on Sunday, 26 September 2021**. During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) i.e. on 18 September 2021 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The members who have cast their votes by remote e-voting prior to the AGM may also participate in
- (iii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020 on e-voting facility provided by listed companies, individual shareholders holding shares in demat mode are allowed to vote through their respective demat accounts maintained with Depositories and DPs. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.
- (iv) **Login method for e-voting and attending AGM through VC/OAVM for individual shareholders holding shares in demat mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding shares in demat mode with CDSL	<p>A. Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>B. After successful login the Easi/Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by the Company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider ("ESP") for casting his/her vote during the remote e-voting period or attending AGM through VC/OAVM and voting during the meeting. Additionally, there are also links provided to access the system of all ESPs i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the websites of ESPs directly.</p> <p>C. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>D. Alternatively, the user can directly access e-voting page by providing demat account number and PAN from the e-voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending an OTP on registered mobile number and e-mail id as recorded in the demat account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also to directly access the system of all ESPs.</p>
Individual Shareholders holding shares in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-Voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or attending AGM through VC/OAVM and voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.</p>

the AGM through VC/OAVM Facility but shall not be entitled to cast their votes again.

Type of shareholders	Login Method
	3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP, and a verification code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to website of e-voting service provider for casting your vote during the remote e-voting period or attending AGM through VC/OAVM and voting during the meeting
Individual Shareholders (holding shares in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to the website of e-voting service provider for casting your vote during the remote e-voting period or attending AGM through VC/OAVM and voting during the meeting.

Important note: Shareholders who are unable to retrieve User ID/Password are advised to use "Forgot User ID" and "Forgot Password" option available at abovementioned websites.

Dedicated helpdesk for individual shareholders holding shares in demat mode for any technical issues related to login/e-voting through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cDSLindia.com or contact at 022-23058738 and 022-23058542-43.
Individual Shareholders in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call on toll free no.: 1800 1020 990 and 1800 22 44 30.

(v) **Login method for e-voting and attending AGM through VC/OAVM for physical shareholders and shareholders other than individual holding in demat form.**

- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on "Shareholders" module.
- Now enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in physical form, if any, should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.

- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

For physical shareholders and other than individual shareholders holding shares in demat form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders, if any) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or Company, please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).

- After entering these details appropriately, click on "SUBMIT" tab.
- Shareholders holding shares in physical form, if any, will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach

'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (vi) For shareholders holding shares in physical form, if any, the details can be used only for e-voting on the resolutions contained in this Notice.
- (vii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (viii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- (ix) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- (x) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xii) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.
- (xiii) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES AND MOBILE NUMBERS ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For physical shareholders - Please visit <http://mdpl.in/form/email-update> and follow the registration process as guided thereafter. Post successful registration of the email address, the member would get soft copy of the Notice and the procedure for remote e-voting along with the User ID and the

password to enable e-voting for this AGM. In case of any query, the member may write to RTA of the Company at mdpldc@yahoo.com.

2. For demat shareholders - Members shall register their email addresses, in respect of electronic holdings with their concerned DPs by following due procedure as advised by them.

INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the AGM through Laptops/IPads for better experience.
3. Further, shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investors@shilgroup.com by 17 September 2021. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The members are also requested to send their queries, if any, by 17 September 2021 mentioning their name, demat account number/folio number, email id, mobile number at investors@shilgroup.com.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those members, who are present in the AGM through VC/OAVM facility and have not cast their votes on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be

eligible to vote through e-voting system available during the AGM.

3. If any votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members attending the meeting.
4. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non - Individual Members and Custodians

1. Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
2. A scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
3. After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
4. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

5. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
6. Alternatively, Non-Individual members are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutinizer and to the Company at the email address viz; investors@shilgroup.com, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM and e-voting from the e-voting system, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Rakesh Dalvi (022-23058542/43).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

The Company vide its Special Resolution passed by the members of the Company through Postal Ballot on 27 March 2020, was authorised to make payment to its Directors (other than the Managing and Whole-time Director of the Company) of a Commission of 1% (one percent) of the net profits of the Company for each of the Financial Year for a period of Five (5) years commencing from 1 April 2019 and ending on 31 March 2024.

It is further informed that MCA vide its notification dated 18 March 2021 introduced amendments by way of the Companies (Amendment) Act, 2020, in sections 149 and 197 of the Companies Act, 2013 and Schedule V thereto. Pursuant to these recently notified amendments, the Company may pay remuneration to its Independent Directors and Non - Executive Director upto the limits as prescribed in Schedule V of the Companies Act, 2013 in case of no profits or inadequate profits. To give effect to aforesaid recent amendments, the existing resolution passed by the shareholders through postal ballot on 27 March 2020 is required to be superseded to enable the Company to pay remuneration to its Independent

Directors and Non - Executive Director in case of no profits or inadequate profits.

Accordingly in terms of Sections 197, 198, Schedule V and other applicable provisions and amendments thereto, if any, of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is proposed to pass a fresh resolution by way of Special Resolution for the purpose of payment of such commission to Independent Directors and Non-executive Director for each Financial Year for further period of Five (5) years commencing from 1 April 2021 to 31 March 2026.

The resolution set out under item no. 4 of the accompanying Notice is intended for seeking member's approval and the Board of Directors accordingly recommends the same. All the Directors are interested in the said resolution either directly or indirectly. None of the Key Managerial Personnel or their relatives, except to the extent of their shareholding in the Company, are interested in this resolution.

Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 of ICSI regarding Directors seeking appointment

Mr. Sandip Somany

Age	57 years
No. of shares held	Mr. Sandip Somany - 23,94,731 Sandip Somany HUF - 95,832
Qualification	Commerce graduate and a diploma holder in Ceramic Manufacturing Technology from the US
Brief Resume and Nature of his Expertise in specific functional areas	<p>Mr. Sandip Somany is a Commerce Graduate and Diploma holder in Ceramic Manufacturing Technology from the US and possesses an extensive 36-years working experience in the ceramics and glass industry.</p> <p>He is the Chairman of the Indian Council of Sanitaryware Manufactures (INCOSAMA), an active Member of the Governing Council of All India Glass Manufacturer's Association, Past-President of Federation of Indian Chambers of Commerce and Industry (FICCI) and Past-President of PHD Chamber of Commerce and Industry (PHDCCI).</p> <p>He was the President of International Chamber of Commerce - (Head Quarter in Paris) India Chapter.</p> <p>He is the member of Audit Committee, Risk Management Committee and Corporate Affairs Committee of the Company.</p>
Name of listed entities in which the Directorship is held	<ol style="list-style-type: none"> 1. HSIL Limited 2. JK Paper Limited
Chairman/Member of the Committees of Board of other listed companies	<p>Chairman</p> <p>Risk Management Committee</p> <ol style="list-style-type: none"> 1. HSIL Limited <p>Member</p> <p>Audit Committee</p> <ol style="list-style-type: none"> 1. JK Paper Limited <p>Nomination and Remuneration Committee</p> <ol style="list-style-type: none"> 1. JK Paper Limited <p>Corporate Social Responsibility Committee</p> <ol style="list-style-type: none"> 1. HSIL Limited <p>Corporate Affairs Committee</p> <ol style="list-style-type: none"> 1. HSIL Limited
Relationships between directors inter-se	Nil

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sandip Somany

Chairman and Non-Executive Director

Mr. Rakesh Kaul

CEO & Whole Time Director

Mr. Ashok Jaipuria

Independent Director

Mr. Nand Gopal Khaitan

Independent Director

Mr. Salil Kumar Bhandari

Independent Director

Ms. Anisha Motwani

Independent Director

COMPANY SECRETARY

Ms. Payal M. Puri

STATUTORY AUDITORS

M/s Lodha & Co., Chartered Accountants

INTERNAL AUDITORS

M/s. Baker Tilly DHC Pvt. Ltd.

REGISTERED OFFICE

2, Red Cross Place,
Kolkata-700001

T: +91 33 22487407/5668

E: investors@shilgroup.com

BANKERS

Axis Bank Limited

Citibank N.A.

Federal Bank Limited

HDFC Bank Limited

Standard Chartered Bank

The Hongkong and Shanghai Banking
Corporation Limited

CORPORATE OFFICE

Plot No. 68, Echelon Institutional area,
Sector -32, Gurugram,

Haryana-122001

EVOK STORES

Delhi

Kirtinagar

Haryana

Faridabad

SOMANY IMPRESA
GROUP COMPANY



REGISTERED OFFICE

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