

**Brilloca Limited**  
**Standalone Balance Sheet as at 31 March 2021**

(₹ in lakh)

| Particulars                          | Note | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--------------------------------------|------|------------------------|------------------------|
| <b>ASSETS</b>                        |      |                        |                        |
| <b>1 Non-current assets</b>          |      |                        |                        |
| (a) Property, plant and equipment    | 4    | 10,370.69              | 10,926.93              |
| (b) Capital work-in-progress         |      | 89.68                  | 228.47                 |
| (c) Other intangible assets          | 5    | 66.76                  | 108.56                 |
| (d) Financial assets                 |      |                        |                        |
| (i) Investments                      | 6    | 50.50                  | 75.34                  |
| (ii) Loans                           | 7    | 1,291.37               | 318.14                 |
| (e) Deferred tax assets (net)        | 21   | 1,165.80               | 902.27                 |
| (f) Other non-current assets         | 8    | 111.78                 | 143.71                 |
| <b>Total non-current assets</b>      |      | <b>13,146.58</b>       | <b>12,703.42</b>       |
| <b>2 Current assets</b>              |      |                        |                        |
| (a) Inventories                      | 9    | 15,239.32              | 17,553.31              |
| (b) Financial assets                 |      |                        |                        |
| (i) Investments                      | 10   | 2,564.02               | 8.31                   |
| (ii) Trade receivables               | 11   | 24,706.52              | 24,238.46              |
| (iii) Cash and cash equivalents      | 12   | 491.08                 | 174.29                 |
| (iv) Loans                           | 13   | 59.59                  | -                      |
| (v) Other financial assets           | 14   | 817.92                 | 1,560.23               |
| (c) Other current assets             | 15   | 7,273.32               | 5,707.31               |
| <b>Total current assets</b>          |      | <b>51,151.77</b>       | <b>49,241.91</b>       |
| <b>Total assets</b>                  |      | <b>64,298.35</b>       | <b>61,945.33</b>       |
| <b>EQUITY AND LIABILITIES</b>        |      |                        |                        |
| <b>1 Equity</b>                      |      |                        |                        |
| (a) Equity share capital             | 16   | 490.00                 | 10.00                  |
| (b) Other equity                     | 17   | 25,435.32              | 18,569.26              |
| <b>Total equity</b>                  |      | <b>25,925.32</b>       | <b>18,579.26</b>       |
| <b>2 Liabilities</b>                 |      |                        |                        |
| <b>Non-current liabilities</b>       |      |                        |                        |
| (a) Financial liabilities            |      |                        |                        |
| (i) Borrowings                       | 18   | 2,978.64               | 3,331.96               |
| (ii) Other financial liabilities     | 19   | 5,347.70               | 5,229.79               |
| (b) Provisions                       | 20   | 630.86                 | 569.18                 |
| (c) Other non-current liabilities    | 22   | 88.39                  | 131.18                 |
| <b>Total non-current liabilities</b> |      | <b>9,045.59</b>        | <b>9,262.11</b>        |
| <b>Current liabilities</b>           |      |                        |                        |
| (a) Financial liabilities            |      |                        |                        |
| (i) Borrowings                       | 23   | 4,599.35               | 15,545.82              |
| (ii) Trade payables                  | 24   |                        |                        |
| - Due to micro and small enterprise  |      | 1,929.38               | 1,332.63               |
| - Due to others                      |      | 2,188.96               | 3,291.57               |
| (iii) Other financial liabilities    | 25   | 14,967.37              | 10,939.74              |
| (b) Other current liabilities        | 26   | 4,813.09               | 2,414.34               |
| (c) Income-tax liabilities (net)     | 27   | 779.58                 | 554.13                 |
| (d) Provisions                       | 28   | 49.71                  | 25.73                  |
| <b>Total current liabilities</b>     |      | <b>29,327.44</b>       | <b>34,103.96</b>       |
| <b>Total liabilities</b>             |      | <b>38,373.03</b>       | <b>43,366.07</b>       |
| <b>Total equity and liabilities</b>  |      | <b>64,298.35</b>       | <b>61,945.33</b>       |

Notes 1 to 58 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

Sd/-

**Gaurav Lodha**  
Partner  
M. No. 507462  
Place : New Delhi  
Date : 19th May, 2021

Sd/-

**G.L. Sultania**  
Director  
DIN: 00060931

Sd/-

**Payal M. Puri**  
Company Secretary  
ACS No.: 16068

Sd/-

**Sandip Somany**  
Chairman and Managing Director  
DIN: 00053597

Sd/-

**Sandeep Sikka**  
Chief Financial Officer

Place : Gurugram  
Date : 19th May, 2021

| Particulars   | Note | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|---|------|-----------------------------|-----------------------------|
| I Revenue from operations                                 | 29   | 1,26,196.01                 | 1,16,087.50                 |
| II Other income   | 30   | 1,822.12                    | 2,054.21                    |
| <b>III Total income</b>                                   |      | <b>1,28,018.13</b>          | <b>1,18,141.71</b>          |
| <b>IV Expenses</b>  |      |                             |                             |
| Purchases of stock-in-trade                               | 31   | 83,620.48                   | 79,443.59                   |
| Changes in inventories of stock-in-trade                  | 32   | 2,420.58                    | (410.15)                    |
| Employee benefits expense                                 | 33   | 12,877.83                   | 12,747.85                   |
| Finance costs   | 34   | 1,535.54                    | 2,012.23                    |
| Depreciation and amortisation expense                     | 35   | 2,375.18                    | 2,412.55                    |
| Other expenses  | 36   | 15,875.55                   | 16,272.39                   |
| <b>Total expenses</b>                                     |      | <b>1,18,705.16</b>          | <b>1,12,478.46</b>          |
| <b>V Profit before exceptional items and tax</b>          |      | <b>9,312.97</b>             | <b>5,663.25</b>             |
| <b>VI Exceptional items</b>                               |      | -                           | -                           |
| <b>VII Profit before tax</b>                              |      | <b>9,312.97</b>             | <b>5,663.25</b>             |
| <b>VIII Tax expense</b>                                   | 37   |                             |                             |
| (1) Current tax   |      | 2,863.33                    | 1,830.23                    |
| Earlier year income tax                                   |      | (427.44)                    | -                           |
| (2) Deferred tax  |      | (315.24)                    | (200.42)                    |
| <b>Total tax expense</b>                                  |      | <b>2,120.65</b>             | <b>1,629.81</b>             |
| <b>IX Profit for the year</b>                             |      | <b>7,192.32</b>             | <b>4,033.44</b>             |
| <b>X Other comprehensive income</b>                       |      |                             |                             |
| (i) Items that will not be reclassified to profit or loss |      |                             |                             |
| (a) Remeasurements of the defined benefit plan            |      | 205.45                      | (43.18)                     |
| (ii) Income-tax relating to these items                   |      | (51.71)                     | 11.07                       |
| <b>Other comprehensive income, net of tax</b>             |      | <b>153.74</b>               | <b>(32.11)</b>              |
| <b>XI Total comprehensive income for the year</b>         |      | <b>7,346.06</b>             | <b>4,001.33</b>             |
| <b>XII Earnings per equity share (of ₹ 2/- each):</b>     |      |                             |                             |
| Basic and diluted   | 42   | 29.36                       | 16.46                       |

Notes 1 to 58 form an integral part of these standalone financial statements.  
In terms of our report attached.

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

Sd/-

Sd/-

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

**G.L. Sultania**  
Director  
DIN: 00060931

**Sandip Somany**  
Chairman and Managing Director  
DIN: 00053597

Sd/-

Sd/-

Sd/-

**Gaurav Lodha**  
Partner  
M. No. 507462  
Place : New Delhi  
Date : 19th May, 2021

**Payal M. Puri**  
Company Secretary  
ACS No.: 16068

**Sandeep Sikka**  
Chief Financial Officer

Place : Gurugram  
Date : 19th May, 2021

**Brilloca Limited**  
**Standalone cash flow statement for the year ended 31 March 2021**

(₹ in lakh)

| Particulars  | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|--|-----------------------------|-----------------------------|
| <b>Cash flows from operating activities</b>                      |                             |                             |
| <b>Profit before tax</b>   | 9,312.97                    | 5,663.25                    |
| <b>Adjustments for:</b>  |                             |                             |
| Finance costs  | 1,535.54                    | 2,012.23                    |
| Interest income  | (137.92)                    | (13.03)                     |
| Gain on disposal of property, plant and equipment                | (7.82)                      | (5.21)                      |
| Loss on disposal of property, plant and equipment                | 0.70                        | 22.93                       |
| Net (gain) arising on current investments                        | (4.80)                      | (0.49)                      |
| Sundry balances and liabilities no longer required, written back | (1,650.54)                  | (624.66)                    |
| Provision for expected credit loss                               | 954.20                      | 591.14                      |
| Provision for doubtful advances                                  | 66.93                       | -                           |
| Bad debts written off  | 5.44                        | 32.94                       |
| Impairment loss  | 76.94                       | -                           |
| Depreciation and amortisation expenses                           | 2,375.18                    | 2,412.55                    |
| Lease concession   | (90.30)                     | -                           |
| Net foreign exchange (gain)                                      | (87.11)                     | (16.80)                     |
| <b>Operating profit before working capital changes</b>           | <b>12,349.41</b>            | <b>10,074.85</b>            |
| <b>Working capital adjustments :</b>                             |                             |                             |
| (Increase)/decrease in trade and other receivables               | (727.30)                    | 10,704.11                   |
| (Increase)/decrease in inventories                               | 2,314.00                    | (428.88)                    |
| (Increase)/decrease in other assets                              | (1,602.15)                  | (1,181.33)                  |
| Increase/(decrease) in trade and other liabilities               | 7,906.11                    | (7,955.41)                  |
| Increase/(decrease) in provisions                                | 85.65                       | 45.16                       |
|  | 7,976.31                    | 1,183.65                    |
| <b>Cash generated from / (used in) operations</b>                | <b>20,325.72</b>            | <b>11,258.50</b>            |
| Income taxes paid  | (2,353.89)                  | (5,560.09)                  |
| Income taxes refund  | 143.45                      | -                           |
| <b>Net cash generated from / (used in) operating activities</b>  | <b>18,115.28</b>            | <b>5,698.41</b>             |
| <b>Cash flows from investing activities:</b>                     |                             |                             |
| Payments to acquire financial assets                             | (2,603.01)                  | -                           |
| Proceeds on sale of financial assets                             | -                           | 0.40                        |
| Interest income  | 137.92                      | 13.03                       |
| Loan to related party  | (1,000.00)                  | -                           |
| Payments for property, plant and equipment                       | (1,390.99)                  | (2,084.01)                  |
| Proceeds from disposal of property, plant and equipment          | 114.17                      | 42.94                       |
| <b>Net Cash generated from / (used in) investing activities</b>  | <b>(4,741.91)</b>           | <b>(2,027.64)</b>           |
| <b>Cash flows from financing activities:</b>                     |                             |                             |
| Proceeds from borrowings   | -                           | 10.00                       |
| Repayment of borrowings  | (178.04)                    | -                           |
| Movement in short term borrowings (net)                          | (10,946.47)                 | 647.57                      |
| Principle payment of leased liability                            | (376.31)                    | (355.61)                    |
| Taxes on dividend paid   | -                           | (513.88)                    |
| Dividends paid to owners of the Company                          | -                           | (2,500.00)                  |
| Interest paid  | (1,555.76)                  | (2,027.91)                  |
| <b>Net Cash generated from / (used in) financing activities</b>  | <b>(13,056.58)</b>          | <b>(4,739.83)</b>           |
| <b>Net increase / (decrease) in cash and cash equivalents:</b>   | <b>316.79</b>               | <b>(1,069.06)</b>           |
| Cash and cash equivalents at the beginning of the year           | 174.29                      | 1,243.35                    |
| <b>Cash and cash equivalents at the end of the year</b>          | <b>491.08</b>               | <b>174.29</b>               |

**The movement in liabilities from financing activities:**

| Particulars  | As at<br>31st March, 2020 | Cash flow          | Non-cash flow changes - Other |          | As at<br>31st March, 2021 |
|--|---------------------------|--------------------|-------------------------------|----------|---------------------------|
|  |                           |                    | Foreign exchange              | Other    |                           |
| Long term borrowings                               | 3,510.00                  | (178.04)           | -                             | -        | 3,331.96                  |
| Short term borrowings                              | 15,545.82                 | (10,946.47)        | -                             | -        | 4,599.35                  |
| <b>Total liabilities from financing activities</b> | <b>19,055.82</b>          | <b>(11,124.51)</b> | <b>-</b>                      | <b>-</b> | <b>7,931.31</b>           |

| Particulars  | As at<br>31st March, 2019 | Cash flow     | Non-cash flow changes - Other |          | As at<br>31st March, 2020 |
|--|---------------------------|---------------|-------------------------------|----------|---------------------------|
|  |                           |               | Foreign exchange              | Other    |                           |
| Long term borrowings                               | 3,500.00                  | 10.00         | -                             | -        | 3,510.00                  |
| Short term borrowings                              | 14,898.25                 | 647.57        | -                             | -        | 15,545.82                 |
| <b>Total liabilities from financing activities</b> | <b>18,398.25</b>          | <b>657.57</b> | <b>-</b>                      | <b>-</b> | <b>19,055.82</b>          |

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 58 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

Sd/-  
**G.L. Sultania**  
Director  
DIN: 00060931

Sd/-  
**Sandip Somany**  
Chairman and Managing Director  
DIN: 00053597

Sd/-  
**Gaurav Lodha**  
Partner  
M. No. 507462  
Place : New Delhi  
Date : 19th May, 2021

Sd/-  
**Payal M. Puri**  
Company Secretary  
ACS No.: 16068

Sd/-  
**Sandeep Sikka**  
Chief Financial Officer

Place : Gurugram  
Date : 19th May, 2021

**Brilloca Limited**  
**Standalone statement of changes in equity for the year ended 31 March 2021**

| <b>a. Equity share capital</b>                   |                         | <b>(₹ in lakh)</b> |  |
|--|-------------------------|--------------------|--|
| <b>Particulars</b>                               | <b>Number of shares</b> | <b>Amount</b>      |  |
| <b>Issued and paid up capital</b>                |                         |                    |  |
| <b>Balance as at 1 April 2019</b>                | <b>5,00,000</b>         | <b>10.00</b>       |  |
| Changes in equity share capital during the year  | -                       | -                  |  |
| <b>Balance as at 31 March 2020</b>               | <b>5,00,000</b>         | <b>10.00</b>       |  |
| Changes in equity share capital during the year* | 2,40,00,000             | 480.00             |  |
| <b>Balance as at 31 March 2021</b>               | <b>2,45,00,000</b>      | <b>490.00</b>      |  |

| <b>b. Other equity</b>  |                             |                 |                   |                                   | <b>(₹ in lakh)</b> |
|---|-----------------------------|-----------------|-------------------|-----------------------------------|--------------------|
| <b>Particulars</b>  | <b>Reserves and surplus</b> |                 |                   | <b>Other comprehensive income</b> | <b>Total</b>       |
|   | Securities Premium Account  | General Reserve | Retained Earnings | Actuarial gain / (loss)           |                    |
| <b>Balance as at 1 April 2019</b>   | <b>3,913.05</b>             | <b>1,323.86</b> | <b>12,304.79</b>  | <b>40.11</b>                      | <b>17,581.81</b>   |
| Profit for the year   | -                           | -               | 4,033.44          | -                                 | <b>4,033.44</b>    |
| Other comprehensive income for the year (net of income tax)               | -                           | -               | -                 | (32.11)                           | <b>(32.11)</b>     |
| Payment of dividend (including dividend distribution tax) (Refer note 55) | -                           | -               | (3,013.88)        | -                                 | <b>(3,013.88)</b>  |
| Total   | -                           | -               | <b>1,019.56</b>   | <b>(32.11)</b>                    | <b>987.45</b>      |
| <b>Balance as at 31 March 2020</b>  | <b>3,913.05</b>             | <b>1,323.86</b> | <b>13,324.35</b>  | <b>8.00</b>                       | <b>18,569.26</b>   |
| Profit for the year   | -                           | -               | 7,192.32          | -                                 | <b>7,192.32</b>    |
| Other comprehensive income for the year (net of income tax)               | -                           | -               | -                 | 153.74                            | <b>153.74</b>      |
| Total comprehensive income for the year                                   | -                           | -               | <b>7,192.32</b>   | <b>153.74</b>                     | <b>7,346.06</b>    |
| Issue of bonus shares *   | (480.00)                    | -               | -                 | -                                 | <b>(480.00)</b>    |
| <b>Balance as at 31 March 2021</b>  | <b>3,433.05</b>             | <b>1,323.86</b> | <b>20,516.67</b>  | <b>161.74</b>                     | <b>25,435.32</b>   |

\* Board of Directors in their meeting held on 6th November 2020 had approved issue of bonus shares of ₹480.00 lakh, i.e. 2,40,00,000 nos. equity shares of ₹ 2/- each fully paid up (in the proportion of 48 equity shares for every 1 (one) equity share held) of the Company, out of balance available in the Securities Premium Account. Subsequent to approval of Shareholders obtained in their extra ordinary general meeting held on 1st December 2020, shares were allotted in the meeting held on 14th December 2020 of Corporate Affairs Committee of Board of Directors. Accordingly, the paid up shares capital of the Company increased from ₹10 lakh to ₹490 lakh (from 5,00,000 nos. to 2,45,00,000 nos.).

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Notes 1 to 58 form an integral part of these standalone financial statements.

In terms of our report attached.

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

Sd/-

**Gaurav Lodha**  
Partner  
M. No. 507462  
Place : New Delhi  
Date : 19th May, 2021

Sd/-

**G.L. Sultania**  
Director  
DIN: 00060931

Sd/-

**Payal M. Puri**  
Company Secretary  
ACS No.: 16068

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

Sd/-

**Sandip Somany**  
Vice Chairman and Managing Director  
DIN: 00053597

Sd/-

**Sandeep Sikka**  
Chief Financial Officer

Place : Gurugram  
Date : 19th May, 2021



**Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021**

**1. Corporate information**

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

These financial statements were approved and authorized for issue in accordance with the resolution of the Company's Board of Directors on 19<sup>th</sup> 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 1<sup>st</sup> 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 standalone 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 significant 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.

**Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021 (contd.)**

**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 standalone 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 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.

## **Brilloca Limited**

### **Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021 (contd.)**

#### Sale of products:

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

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

#### Rendering of services:

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

#### **Interest and dividends**

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

### **3.6 Leases**

The Company's lease asset classes primarily consist of leases for 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

**Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021 (contd.)**

the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

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

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

**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

**Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021 (contd.)**

required to be made and when services are rendered by the employees. The Company has no legal or constructive obligation to pay contribution in addition to its fixed contribution.

**Defined benefit plans**

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

**Short-term employee benefits**

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

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

**Long-term employee benefits**

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

**3.10 Taxation**

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

**Current tax**

Current income tax assets and/or liabilities comprise those obligations to, or claims from, 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.

**Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021 (contd.)**

**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

## Brilloca Limited

### Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021 (contd.)

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

#### (c) Capital work-in-progress

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

### 3.14 Depreciation and amortisation

Depreciation is charged on a pro-rata basis on the straight line method at rates prescribed in Schedule II to the Companies Act, 2013 and is charged to the statement of profit and loss. Freehold land is not depreciated.

The estimated useful life of the items of property, plant and equipment are as follows:

| Asset class                          | Useful life      |
|--------------------------------------|------------------|
| <b>Property, plant and equipment</b> |                  |
| Plant and machinery                  | 7.5-20 years** # |
| Furniture and fixtures               | 10 years         |
| Office equipment                     | 5 years          |
| Computer                             | 3-6 years        |
| Vehicles                             | 8 years*         |
| <b>Intangible assets</b>             |                  |
| Software                             | 6 years          |

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

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

**Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021 (contd.)**

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

**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 and Subsidiaries**

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

**3.17 Investment in Mutual Funds**

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

**3.18 Cash and cash equivalents**

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

**3.19 Cash flow statement**

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

**3.20 Inventories**

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

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

**3.21 Provisions and contingencies**

A provision is recognised in the standalone financial statements where there exists a present obligation as a result of a past event, the amount of which can be reliably estimated, and it is probable that an outflow of resources would be necessitated in order to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate



**Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021 (contd.)**

that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes unless the outflow of resources is considered to be remote. Contingent assets are neither recognised nor disclosed in the standalone financial statements.

**3.22 Equity, reserves and dividend payments**

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

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

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

**3.23 Earnings per share**

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

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

**3.24 Fair value measurement**

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

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

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

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

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

**Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021 (contd.)**

**3.25 Financial instruments**

**I. Financial assets**

**a. Initial recognition and measurement**

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

**b. Subsequent measurement**

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

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

**(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 38 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

**Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021 (contd.)**

transfer. If the entity retains substantially all the risks and rewards of ownership of the financial asset, the entity shall continue to recognise the financial asset.

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

**II. Financial liabilities**

**a. Initial recognition and subsequent measurement**

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

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

**III. Fair value of financial instruments**

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

**IV. Offsetting of financial instruments**

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

**3.26 Derivative financial instruments**

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

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

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

The preparation of the Company's standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

**Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021 (contd.)**

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.

(iv) Impairment of trade receivables

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is recognised based on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

(v) Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (refer note 39).

**Brilloca Limited**

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021

**Note 4 - Property, plant and equipment**

| Description of assets                                | (₹ in lakh)            |                         |                     |                  |                        |           |          |           |
|--|------------------------|-------------------------|---------------------|------------------|------------------------|-----------|----------|-----------|
|  | Lease hold improvement | Right to use - Building | Plant and equipment | Office equipment | Furniture and fixtures | Computers | Vehicles | Total     |
| <b>I. Gross block</b>                                |                        |                         |                     |                  |                        |           |          |           |
| <b>Balance as at 1 April 2019</b>                    | -                      | -                       | 4,966.16            | 253.51           | 4,222.43               | 729.26    | 307.77   | 10,479.13 |
| Additions  | -                      | 3,344.48                | 217.24              | 136.95           | 1,208.56               | 87.00     | 251.52   | 5,245.75  |
| Disposals/adjustment                                 | -                      | -                       | -                   | 1.24             | (59.14)                | (89.70)   | (41.60)  | (189.20)  |
| <b>Balance as at 31 March 2020</b>                   | -                      | 3,344.48                | 5,183.40            | 391.70           | 5,371.85               | 726.56    | 517.69   | 15,535.68 |
| Additions  | 25.06                  | 746.12                  | 57.82               | 42.77            | 667.35                 | 231.32    | 432.99   | 2,203.43  |
| Disposals/adjustment                                 | -                      | (499.61)                | (2.91)              | (19.00)          | -                      | (90.09)   | (189.36) | (800.97)  |
| <b>Balance as at 31 March 2021</b>                   | 25.06                  | 3,590.99                | 5,238.31            | 415.47           | 6,039.20               | 867.79    | 761.32   | 16,938.14 |
| <b>II. Accumulated depreciation and amortisation</b> |                        |                         |                     |                  |                        |           |          |           |
| <b>Balance as at 1 April 2019</b>                    | -                      | -                       | 378.68              | 159.13           | 1,270.71               | 436.53    | 132.80   | 2,377.85  |
| Depreciation and amortisation charge for the year    | -                      | 528.48                  | 545.95              | 52.95            | 1,000.06               | 167.80    | 64.22    | 2,359.46  |
| Disposals/adjustment                                 | -                      | -                       | -                   | 1.48             | (36.57)                | (69.41)   | (24.06)  | (128.56)  |
| <b>Balance as at 31 March 2020</b>                   | -                      | 528.48                  | 924.63              | 213.56           | 2,234.20               | 534.92    | 172.96   | 4,608.75  |
| Depreciation and amortisation charge for the year    | 3.10                   | 607.02                  | 349.93              | 58.95            | 1,054.69               | 147.20    | 112.79   | 2,333.68  |
| Disposals/adjustment                                 | -                      | (180.36)                | (0.73)              | (18.00)          | -                      | (67.80)   | (108.09) | (374.98)  |
| <b>Balance as at 31 March 2021</b>                   | 3.10                   | 955.14                  | 1,273.83            | 254.51           | 3,288.89               | 614.32    | 177.66   | 6,567.45  |
| <b>Net block (I-II)</b>                              |                        |                         |                     |                  |                        |           |          |           |
| <b>Balance as at 31 March 2021</b>                   | 21.96                  | 2,635.85                | 3,964.48            | 160.96           | 2,750.31               | 253.47    | 583.66   | 10,370.69 |
| <b>Balance as at 31 March 2020</b>                   | -                      | 2,816.00                | 4,258.77            | 178.14           | 3,137.65               | 191.64    | 344.73   | 10,926.93 |

Note :

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

**Brilloca Limited**

Significant accounting policies and other explanatory information to the Standalone financial statements  
as at and for the year ended 31 March 2021

**Note 5 - Other intangible assets**

| Description of assets               | (₹ in lakh)          |               |
|-------------------------------------|----------------------|---------------|
|                                     | Computer<br>software | Total         |
| <b>I. Gross block</b>               |                      |               |
| <b>Balance as at 1 April 2019</b>   | <b>373.56</b>        | <b>373.56</b> |
| Additions                           | 25.97                | 25.97         |
| Disposals/adjustment                | 91.51                | 91.51         |
| <b>Balance as at 31 March 2020</b>  | <b>491.04</b>        | <b>491.04</b> |
| Additions                           |                      | -             |
| Disposals/adjustment                | (9.89)               | (9.89)        |
| <b>Balance as at 31 March 2021</b>  | <b>481.15</b>        | <b>481.15</b> |
| <b>II. Accumulated amortisation</b> |                      |               |
| <b>Balance as at 1 April 2019</b>   | <b>257.24</b>        | <b>257.24</b> |
| Amortisation charge for the year    | 53.09                | 53.09         |
| Disposals/adjustment                | 72.15                | 72.15         |
| <b>Balance as at 31 March 2020</b>  | <b>382.48</b>        | <b>382.48</b> |
| Amortisation charge for the year    | 41.50                | 41.50         |
| Disposals/adjustment                | (9.59)               | (9.59)        |
| <b>Balance as at 31 March 2021</b>  | <b>414.39</b>        | <b>414.39</b> |
| <b>Net block (I-II)</b>             |                      |               |
| <b>Balance as on 31 March 2021</b>  | <b>66.76</b>         | <b>66.76</b>  |
| <b>Balance as on 31 March 2020</b>  | <b>108.56</b>        | <b>108.56</b> |

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**Brilloca Limited**

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021

**Note 6 - Non current investments****(₹ in lakh)**

| Particulars  | As at 31 March 2021 |                   | As at 31 March 2020 |                   |
|--|---------------------|-------------------|---------------------|-------------------|
|  | Number              | Amount            | Number              | Amount            |
| Investment in Subsidiaries measured at cost less impairments, if any             |                     |                   |                     |                   |
| <b>Unquoted investments (fully paid-up) (At cost)</b>                            |                     |                   |                     |                   |
| Halis International Limited, Mauritius (Equity share, face value USD 1 each)     | 1705000             | 782.50            | 17,05,000           | 782.50            |
| Less : Provision for impairment of investments                                   |                     | <u>(782.50)</u>   |                     | <u>(782.50)</u>   |
| Alchemy International Cooperative U.A., Netherlands (Euro 180)*                  |                     |                   | 180                 | 0.12              |
| Less : Provision for impairment of investments (Refer note 56)                   |                     |                   |                     | <u>-</u>          |
| Halis International Limited, Mauritius (Preference Share, face value USD 1 each) | 2106000             | 1,228.15          | 2036000             | 1,176.05          |
| Less : Provision for impairment of investments                                   |                     | <u>(1,177.65)</u> |                     | <u>(1,100.83)</u> |
| <b>Unquoted investments</b>  |                     | <b>50.50</b>      |                     | <b>75.34</b>      |
| <b>Total investments carried at cost</b>   |                     | <b>50.50</b>      |                     | <b>75.34</b>      |
| <b>Other disclosures</b>   |                     |                   |                     |                   |
| Aggregate amount of unquoted investments   |                     | 2,010.65          |                     | 1,958.67          |
| Aggregate amount of impairment in value of investments                           |                     | 1,960.15          |                     | 1,883.33          |

\* Liquidated during the year

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**Brilloca Limited**

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021

**Note 7 - Non-current financial assets - loans**

| Particulars  | (₹ in lakh)            |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b>(unsecured and considered good unless otherwise specified, as considered by the management)</b> |                        |                        |
| Security deposits*   | 291.37                 | 318.14                 |
| Loans to related party **  | 1,000.00               | -                      |
|  | <b>1,291.37</b>        | <b>318.14</b>          |

\* Including of HSIL Limited of ₹ 2.52 Lakh (previous year ₹ Nil)

\*\* The loan has been given to Somany Home Innovation Limited for normal business operations.

**Note 8 - Other non-current assets**

| Particulars  | (₹ in lakh)            |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b>(unsecured and considered good, unless stated otherwise, as considered by the management)</b> |                        |                        |
| Capital advances   | 19.10                  | 20.26                  |
| Considered doubtful  | 15.15                  | 15.15                  |
| Less : Provision for doubtful advances   | (15.15)                | (15.15)                |
| Prepaid expenses   | 0.18                   | -                      |
| Balances with government authorities   | 91.50                  | 123.45                 |
| Others   | 1.00                   | -                      |
|  | <b>111.78</b>          | <b>143.71</b>          |

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**Brilloca Limited**

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021

**Note 9 - Inventories**

| Particulars   | (₹ in lakh)            |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b>(valued at cost or net realisable value, whichever is lower)</b> |                        |                        |
| Stock-in-trade of goods acquired for trading @                      | 15,114.00              | 17,534.58              |
| Stores and spares   | 125.16                 | 18.73                  |
| Packing material  | 0.16                   | -                      |
|   | <b>15,239.32</b>       | <b>17,553.31</b>       |
| <b>@Included above, goods-in-transit:</b>                           |                        |                        |
| Stock-in-trade  | 5.64                   | -                      |
|   | <b>5.64</b>            | <b>-</b>               |

**Notes**

Refer note 23 for information on inventory hypothecated as security by the Company.

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**Brilloca Limited**

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021

**Note 10 - Current investments**

(₹ in lakh)

| Particulars  | As at 31 March 2021 |                 | As at 31 March 2020 |             |
|--|---------------------|-----------------|---------------------|-------------|
|  | Units               | Amount          | Units               | Amount      |
| <b><u>Fair value through profit and loss (FVTPL)</u></b> |                     |                 |                     |             |
| <b><u>Quoted investments</u></b>                         |                     |                 |                     |             |
| 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                     | 213.999             | 8.60            | 213.999             | 8.31        |
|  | <b>2,17,260.822</b> | <b>2,564.02</b> | <b>213.999</b>      | <b>8.31</b> |
| <b><u>Other disclosures</u></b>                          |                     |                 |                     |             |
| Aggregate amount of quoted investments- at cost          |                     | 2,559.66        |                     | 7.24        |
| Aggregate amount of quoted investments- at market value  |                     | 2,564.02        |                     | 8.31        |

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**Brilloca Limited****Significant accounting policies and other explanatory information to the Standalone financial statements  
as at and for the year ended 31 March 2021****Note 11 - Trade receivables****(₹ in lakh)**

| <b>Particulars</b>                                  | <b>As at</b>            | <b>As at</b>            |
|---|-------------------------|-------------------------|
|   | <b>31 March 2021</b>    | <b>31 March 2020</b>    |
| Secured, considered good                            | 1,510.10                | 1,447.40                |
| Unsecured, considered good                          | 23,196.42               | 22,791.05               |
| Trade Receivables - Credit impaired                 | 3,534.82                | 2,580.62                |
|   | <u>28,241.34</u>        | <u>26,819.08</u>        |
| Less: Provision for impairment/Expected credit loss | 3,534.82                | 2,580.62                |
|   | <u><b>24,706.52</b></u> | <u><b>24,238.46</b></u> |

**Movement in the allowance for provision for impairment/Expected credit loss****(₹ in lakh)**

| <b>Particulars</b>  | <b>As at</b>           | <b>As at</b>           |
|---|------------------------|------------------------|
|   | <b>31 March 2021</b>   | <b>31 March 2020</b>   |
| Opening balance   | 2,580.62               | 1,989.49               |
| Expected credit losses provided for during the year (Refer note 36) | 954.20                 | 591.14                 |
| Amounts written back during the year (net)                          | -                      | (0.01)                 |
|   | <u><b>3,534.82</b></u> | <u><b>2,580.62</b></u> |

Trade receivables are hypothecated against the borrowings obtained by the Company as referred in note 23

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**Brilloca Limited****Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021****Note 12 - Cash and cash equivalents**

| <b>Particulars</b>      | <b>(₹ in lakh)</b>             |                                |
|-------------------------|--------------------------------|--------------------------------|
|                         | <b>As at<br/>31 March 2021</b> | <b>As at<br/>31 March 2020</b> |
| Balances with banks     | 86.51                          | 67.88                          |
| Cheques, drafts on hand | -                              | 50.60                          |
| Cash on hand            | 2.18                           | 3.47                           |
| Remittance in transit   | 402.39                         | 52.34                          |
|                         | <b>491.08</b>                  | <b>174.29</b>                  |

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 - Loans**

| <b>Particulars</b>                                       | <b>(₹ in lakh)</b>             |                                |
|--|--------------------------------|--------------------------------|
|  | <b>As at<br/>31 March 2021</b> | <b>As at<br/>31 March 2020</b> |
| <b>(unsecured and considered good by the management)</b> |                                |                                |
| Security deposits-Current*                               | 59.59                          | -                              |
|  | <b>59.59</b>                   | <b>-</b>                       |

\* Including of HSIL Limited of ₹ 59.59 Lakh (previous year Nil)

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**Brilloca Limited****Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021****Note 14 - Current financial assets - Other financial assets**

| Particulars  | (₹ in lakh)            |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b>(unsecured and considered good by the management)</b> |                        |                        |
| Other receivable *                                       | 817.92                 | 1,560.23               |
|  | <b>817.92</b>          | <b>1,560.23</b>        |

\* Including of HSIL Limited of ₹ Nil (previous year ₹ 955.48 lakh), Somany Home Innovation Limited of ₹ 816.46 lakh (previous year ₹ 604.75 lakh) and Hintastica Private Limited of ₹ 1.46 Lakh (previous year ₹ Nil)

**Note 15 - Other current assets**

| Particulars  | (₹ in lakh)            |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b>(unsecured and considered good by the management)</b> |                        |                        |
| Prepaid expenses   | 48.81                  | 371.74                 |
| Balances with government authorities                     | 3,456.58               | 3,053.32               |
| Others   |                        |                        |
| - Advance to suppliers #                                 | 2,883.54               | 1,152.96               |
| Considered doubtful                                      | 41.36                  | 4.43                   |
| less : Provision against Advance to Vendors              | (41.36)                | (4.43)                 |
| - Employee advances                                      | 23.54                  | 55.29                  |
| - Other current assets *                                 | 860.85                 | 1,074.00               |
| Considered doubtful                                      | 30.00                  | -                      |
| less : Provision against Advance to Vendors              | (30.00)                | -                      |
|  | <b>7,273.32</b>        | <b>5,707.31</b>        |

\* Including of Somany Home Innovation Limited of ₹ 168.50 Lakh (previous year ₹ Nil) and Hintastica private limited of ₹ Nil (previous year ₹ 0.50 lakh)

# Including of HSIL Limited of ₹ 2078.91 Lakh (previous year ₹ Nil) and Somany Home Innovation Limited of ₹ nil (previous year ₹ 47.03 lakh)

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**Brilloca Limited**

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021

**Note 16 - Equity share capital**

| Particulars                                      | As at<br>31 March 2021 |               | As at<br>31 March 2020 |              |
|--|------------------------|---------------|------------------------|--------------|
|  | No. of shares          | (₹ in lakh)   | No. of shares          | (₹ in lakh)  |
| <b>Authorised:</b>                               |                        |               |                        |              |
| Equity shares of ₹ 2 each                        | 2,50,00,000            | 500.00        | 5,00,000               | 10.00        |
| <b>Issued:</b>                                   |                        |               |                        |              |
| Equity shares of ₹ 2 each                        | 2,45,00,000            | 490.00        | 5,00,000               | 10.00        |
| <b>Subscribed and fully paid:</b>                |                        |               |                        |              |
| Equity shares of ₹ 2 each (refer note (d) below) | 2,45,00,000            | 490.00        | 5,00,000               | 10.00        |
|  | <b>2,45,00,000</b>     | <b>490.00</b> | <b>5,00,000</b>        | <b>10.00</b> |

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

| Particulars   | As at<br>31 March 2021 |               | As at<br>31 March 2020 |              |
|---|------------------------|---------------|------------------------|--------------|
|   | Number                 | (₹ in lakh)   | Number                 | (₹ in lakh)  |
| Equity shares outstanding at the beginning of the year    | 5,00,000               | 10.00         | 5,00,000               | 10.00        |
| Add: Shares issued during the year (refer note (d) below) | 2,40,00,000            | 480.00        | -                      | -            |
| <b>Equity shares outstanding at the end of the year</b>   | <b>2,45,00,000</b>     | <b>490.00</b> | <b>5,00,000</b>        | <b>10.00</b> |

**(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.

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

|  | 31 March 2021 |              | 31 March 2020 |              |
|--|---------------|--------------|---------------|--------------|
|  | Number        | % of holding | Number        | % of holding |
| Somany Home Innovation Limited** (including nominee) | 2,45,00,000   | 100.00       | 5,00,000      | 100.00       |

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

\*\* Holding company

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

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## Note 17- Other equity

(₹ in lakh)

| Particulars   | Reserves and surplus       |                 |                   | Other comprehensive income | Total             |
|---|----------------------------|-----------------|-------------------|----------------------------|-------------------|
|   | Securities Premium Account | General Reserve | Retained Earnings | Actuarial gain / (loss)    |                   |
| <b>Balance as on 1st April 2019</b>                                       | <b>3,913.05</b>            | <b>1,323.86</b> | <b>12,304.79</b>  | <b>40.11</b>               | <b>17,581.81</b>  |
| Profit for the year   |                            |                 | 4,033.44          |                            | <b>4,033.44</b>   |
| Other comprehensive income for the year (net of income tax)               |                            |                 |                   | (32.11)                    | <b>(32.11)</b>    |
| Payment of dividend (including dividend distribution tax) (Refer note 55) |                            |                 | (3,013.88)        |                            | <b>(3,013.88)</b> |
| Total   | -                          | -               | <b>1,019.56</b>   | <b>(32.11)</b>             | <b>987.45</b>     |
| <b>Balance as at 31 March 2020</b>  | <b>3,913.05</b>            | <b>1,323.86</b> | <b>13,324.35</b>  | <b>8.00</b>                | <b>18,569.26</b>  |
| Profit for the year   |                            |                 | 7,192.32          |                            | <b>7,192.32</b>   |
| Other comprehensive income for the year (net of income tax)               |                            |                 |                   | 153.74                     | <b>153.74</b>     |
| Total comprehensive income for the year                                   | -                          | -               | <b>7,192.32</b>   | <b>153.74</b>              | <b>7,346.06</b>   |
| Bonus issue (refer note 16(d))  | <b>(480.00)</b>            |                 |                   |                            | <b>(480.00)</b>   |
| <b>Balance as at 31 March 2021</b>  | <b>3,433.05</b>            | <b>1,323.86</b> | <b>20,516.67</b>  | <b>161.74</b>              | <b>25,435.32</b>  |

**Nature and purpose of other reserve:**

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

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**Brilloca Limited**

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021

**Note 18 - Non current financial liabilities - Borrowings****(₹ in lakh)**

| Particulars   | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
| <b>Measured at amortised cost</b>                               |                        |                        |
| <b>Secured:</b>   |                        |                        |
| Term loan from bank:  |                        |                        |
| Rupee loan  | 3,325.00               | 3,500.00               |
| Term loans from NBFC:   |                        |                        |
| Vehicle loan  | 6.96                   | 10.00                  |
|   | <b>3,331.96</b>        | <b>3,510.00</b>        |
| Less: Current maturities of long term borrowing (refer note 25) | 353.32                 | 178.04                 |
|   | <b>2,978.64</b>        | <b>3,331.96</b>        |

**Terms and conditions of outstanding borrowings are as follow****(₹ in lakh)**

| Particulars                           | Currency | Year of<br>maturity | Rate of<br>Interest       | Carrying amount<br>as at<br>31 March 2021 | Carrying<br>amount as at<br>31 March 2020 | Remarks               |
|---------------------------------------|----------|---------------------|---------------------------|---|---|-----------------------|
| Secured loan from bank - rupee loans  | ₹        | 2026-27             | 1 year<br>MCLR +<br>08bps | 3,325.00                                  | 3,500.00                                  | Refer Note 1<br>below |
| Secured loan from NBFC - vehicle loan | ₹        | 2022-23             | 8.99% p.a.                | 6.96                                      | 10.00                                     | Refer Note 2<br>below |

## Note:

- Loan is secured by first pari-passu Charge on Movable Fixed Assets (PPE) of the company. Term loan from bank aggregating to ₹ 3,325 lakh (previous year ₹ 3500 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 purchased and repayable in 24 monthly instalments from 1st April 2021.

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**Brilloca Limited**

**Significant accounting policies and other explanatory information to the Standalone financial statements  
as at and for the year ended 31 March 2021**

**Note 19 - Non-current financial liabilities - Other financial liabilities**

| <b>Particulars</b>              | <b>(₹ in lakh)</b>             |                                |
|---------------------------------|--------------------------------|--------------------------------|
|                                 | <b>As at<br/>31 March 2021</b> | <b>As at<br/>31 March 2020</b> |
| Trade deposits                  | 2,983.89                       | 2,797.38                       |
| Lease liability (Refer note 47) | 2,363.81                       | 2,432.41                       |
|                                 | <b>5,347.70</b>                | <b>5,229.79</b>                |

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**Brilloca Limited****Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021****Note 20 - Non-current liabilities - Provisions****(₹ in lakh)**

| Particulars                        | As at<br>31 March 2021 | As at<br>31 March 2020 |
|------------------------------------|------------------------|------------------------|
| Provision for employee benefits    |                        |                        |
| Long-term employee benefits        |                        |                        |
| Provision for compensated absences | 328.35                 | 321.06                 |
| Provision for long service award   | 70.87                  | 61.48                  |
| Provision for warranty             | 231.64                 | 186.64                 |
|                                    | <b>630.86</b>          | <b>569.18</b>          |

**Details of movement in provision for warranty (including current portion)****(₹ in lakh)**

| Particulars   | Amount        |
|---|---------------|
| <b>Balance as at 1 April 2019</b>                             | 244.54        |
| Additional provisions recognised (included in Other expenses) | 65.00         |
| Utilised during the year                                      | (122.91)      |
| <b>Balance as at 31 March 2020</b>                            | <b>186.64</b> |
| <b>Balance as at 1 April 2020</b>                             | 186.64        |
| Additional provisions recognised (included in Other expenses) | 45.00         |
| Utilised during the year                                      | -             |
| <b>Balance as at 31 March 2021</b>                            | <b>231.64</b> |

**Warranty claims:**

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

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**Brilloca Limited**
**Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021**
**Note 21 - Deferred tax assets (net)**
**(₹ in lakh)**

| Particulars  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| <b>Deferred tax liability arising on account of</b>                              |                        |                        |
| Unrealised foreign exchange gain   | 1.25                   | -                      |
|  | <b>1.25</b>            | <b>-</b>               |
| <b>Deferred tax asset arising on account of</b>                                  |                        |                        |
| Difference between book balance and tax balance of property, plant and equipment | 193.42                 | 80.09                  |
| Provision for doubtful debts and loans and advances                              | 907.60                 | 662.43                 |
| Provision for employee benefits  | 42.31                  | 86.78                  |
| Others   | 23.72                  | 72.97                  |
|  | <b>1,167.05</b>        | <b>902.27</b>          |
| <b>Deferred tax assets (net)</b>   | <b>1,165.80</b>        | <b>902.27</b>          |

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

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

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

| Particulars  | As at<br>1 April 2019 | Recognised in<br>statement of<br>profit and loss | Recognised in<br>other<br>comprehensive<br>income | As at<br>31 March 2019 |
|--|-----------------------|--|---|------------------------|
| <b>Deferred tax liability arising on account of</b>                              |                       |  |   |                        |
| Difference between book balance and tax balance of property, plant and equipment | 98.48                 | (178.57)   | -   | (80.09)                |
| <b>Sub total</b>   | <b>98.48</b>          | <b>(178.57)</b>                                  | <b>-</b>  | <b>(80.09)</b>         |
| <b>Deferred tax asset arising on account of</b>                                  |                       |  |   |                        |
| Provision for doubtful debts and loans and advances                              | 702.05                | (39.62)  | -   | 662.43                 |
| Provision for employee benefits  | 87.21                 | (11.50)  | 11.07   | 86.78                  |
| Others   | -                     | 72.97  | -   | 72.97                  |
| <b>Sub total</b>   | <b>789.26</b>         | <b>21.85</b>                                     | <b>11.07</b>                                      | <b>822.18</b>          |
| <b>Net deferred tax assets</b>   | <b>690.78</b>         | <b>200.42</b>                                    | <b>11.07</b>                                      | <b>902.27</b>          |

**Brilloca Limited**

**Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021**

**Note 22 - Other non-current liabilities**

| <b>Particulars</b>        | <b>(₹ in lakh)</b>             |                                |
|---------------------------|--------------------------------|--------------------------------|
|                           | <b>As at<br/>31 March 2021</b> | <b>As at<br/>31 March 2020</b> |
| Employee related payables | 88.39                          | 131.18                         |
|                           | <b>88.39</b>                   | <b>131.18</b>                  |

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**Brilloca Limited**

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021

**Note 23 - Current financial liabilities - Borrowings**

| Particulars                             | (₹ in lakh)            |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2021 | As at<br>31 March 2020 |
| <b>Secured borrowings</b>               |                        |                        |
| From banks                              |                        |                        |
| Cash credit - loans repayable on demand | 572.49                 | 831.82                 |
| Working capital demand loan             | 4,026.86               | 14,714.00              |
|   | <u>4,599.35</u>        | <u>15,545.82</u>       |

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

b) **Short term loan facilities :**

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.

## c) The interest rate for the above short term borrowings varies from 5.90% p.a. to 9.50% p.a.

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**Brilloca Limited****Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021****Note 24 - Trade payables**

| Particulars   | (₹ in lakh)            |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2021 | As at<br>31 March 2020 |
| -total outstanding dues of micro and small enterprises                        | 1,929.38               | 1,332.63               |
| -total outstanding dues of creditors other than micro and small enterprises * | 2,188.96               | 3,291.57               |
| Trade payable   | <b>4,118.34</b>        | <b>4,624.20</b>        |

\* Including of HSIL Limited of ₹ 230.57 Lakh (previous year ₹ 1691.06 lakh)

**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<br>31 March 2021 | As at<br>31 March 2020 |
| Principal amount overdue remaining unpaid to any supplier   | 17.14                  | 302.90                 |
| Interest due thereon remaining unpaid to any supplier   | 0.61                   | 86.07                  |
| 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   | 63.47                  | 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   | 136.27                 | Nil                    |
| Interest accrued and remaining unpaid   | 136.88                 | 86.07                  |
| Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006. | Nil                    | Nil                    |

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**Brilloca Limited**

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021

**Note 25 - Current financial liabilities - Other financial liabilities**

| Particulars  | (₹ in lakh)            |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2021 | As at<br>31 March 2020 |
| Current maturities of long-term borrowings (Refer note 18) | 353.32                 | 178.04                 |
| Interest accrued but not due on borrowings                 | 37.49                  | 57.71                  |
| Earnest money deposits                                     | 4.21                   | 2.95                   |
| Security deposits/retention money payable                  | 45.72                  | 4.92                   |
| Others   |                        |                        |
| Towards capital creditors                                  | 3.97                   | 77.58                  |
| Employee related payables                                  | 2,027.01               | 2,373.91               |
| Towards expenses payable *                                 | 1,269.63               | 966.50                 |
| Commission payable to directors                            | 248.85                 | 59.94                  |
| Gratuity payable (net of obligation)                       | 67.69                  | 127.40                 |
| Lease liability (Refer note 47)                            | 446.64                 | 417.78                 |
| Other payables #   | 10,462.84              | 6,673.01               |
|  | <b>14,967.37</b>       | <b>10,939.74</b>       |

\* Including of HSIL Limited of ₹ 178.80 Lakh (previous year ₹ Nil)

# Mainly includes liability against sales and marketing expenses

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**Brilloca Limited**

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021

**Note 26 - Other current liabilities**

| Particulars                      | (₹ in lakh)            |                        |
|----------------------------------|------------------------|------------------------|
|                                  | As at<br>31 March 2021 | As at<br>31 March 2020 |
| Advances received from customers | 613.67                 | 594.94                 |
| Payable towards statutory dues   | 4,199.42               | 1,819.40               |
|                                  | <b>4,813.09</b>        | <b>2,414.34</b>        |

**Note 27 - Provision for income tax (net)**

| Particulars                      | (₹ in lakh)            |                        |
|----------------------------------|------------------------|------------------------|
|                                  | As at<br>31 March 2021 | As at<br>31 March 2020 |
| Provision for Income tax opening | 554.13                 | 4,283.99               |
| Provision for the year           | 2,863.33               | 1,830.23               |
| Earlier year income tax          | (427.44)               | -                      |
|                                  | <b>2,990.02</b>        | <b>6,114.22</b>        |
| Less: Advance tax paid *         | 2,210.44               | 5,560.09               |
|                                  | <b>779.58</b>          | <b>554.13</b>          |

\* Including advance tax of ₹ Nil (previous year ₹ 1100 lakh) paid by HSIL Limited and endorsed in favour of the Company post implementation of Scheme.

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**Brilloca Limited****Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021****Note 28 - Current liabilities - Provisions****(₹ in lakh)**

| <b>Particulars</b>                 | <b>As at<br/>31 March 2021</b> | <b>As at<br/>31 March 2020</b> |
|------------------------------------|--------------------------------|--------------------------------|
| Provision for employee benefits    |                                |                                |
| Long-term employee benefits        |                                |                                |
| Provision for compensated absences | 45.21                          | 17.60                          |
| Provision for long service award   | 4.50                           | 8.13                           |
|                                    | <b>49.71</b>                   | <b>25.73</b>                   |

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**Brilloca Limited**

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021

**Note 29 - Revenue from operations**

(₹ in lakh)

| Particulars                     | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|---------------------------------|-------------------------------------|-------------------------------------|
| Sale of goods                   | 1,23,807.35                         | 1,14,656.73                         |
| Sale from rendering of services | 21.11                               | 13.97                               |
| Other operating revenue @       | 2,367.55                            | 1,416.80                            |
|                                 | <b>1,26,196.01</b>                  | <b>1,16,087.50</b>                  |

**Segment wise revenue information**

|                                     |                    |                    |
|-------------------------------------|--------------------|--------------------|
| a) Building Products                | 1,26,196.01        | 1,16,087.50        |
| b) Others                           | -                  | -                  |
| <b>Total</b>                        | <b>1,26,196.01</b> | <b>1,16,087.50</b> |
| <b>Total income from operations</b> | <b>1,26,196.01</b> | <b>1,16,087.50</b> |

**ii) Unsatisfied Performance Obligation****Aggregated amount of Transaction Price allocated to the contracts**

|                  |        |        |
|------------------|--------|--------|
| i) Sale of Goods | 613.67 | 594.94 |
|------------------|--------|--------|

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

|   |                    |                    |
|---|--------------------|--------------------|
| a) Sale of goods  | 2,10,650.49        | 1,89,319.05        |
| b) Sale from rendering of services                                    | 21.11              | 13.97              |
| c) Other operating revenue  | 2,367.55           | 1,416.80           |
| Adjustment:-  |                    |                    |
| Discount/Rebate   | 86,843.14          | 74,662.32          |
| <b>Revenue recognised in the statement of profit and loss account</b> | <b>1,26,196.01</b> | <b>1,16,087.50</b> |

@ Other operating revenues comprise of:

|  |                 |                 |
|--|-----------------|-----------------|
| Sundry balances and liabilities no longer required, written back | 1,650.54        | 624.66          |
| Gain on foreign exchange fluctuations                            | 87.11           | 132.23          |
| Insurance claims received  | 60.34           | 39.16           |
| Scrap sales  | 9.52            | 37.75           |
| Miscellaneous receipts   | 560.04          | 583.00          |
|  | <b>2,367.55</b> | <b>1,416.80</b> |

**Note 30 - Other income**

(₹ in lakh)

| Particulars   | For the year ended 31<br>March 2021 | For the year ended 31<br>March 2020 |
|---|-------------------------------------|-------------------------------------|
| Interest income on financial assets                                 | 137.92                              | 13.03                               |
| Rental income   | 0.08                                | 0.02                                |
| Profit on sale of current investments (net)                         | 0.71                                | 0.01                                |
| Profit on sale of property, plant and equipment                     | 7.82                                | 5.21                                |
| Gain arising on financials instruments designated as at FVTPL (net) | 4.09                                | 0.48                                |
| Management fee  | 1,515.16                            | 1,993.46                            |
| Miscellaneous income  | 156.34                              | 42.00                               |
|   | <b>1,822.12</b>                     | <b>2,054.21</b>                     |

**Brilloca Limited**

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021

**Note 31 - Purchases of traded goods**

|                                      | (₹ in lakh)                         |                                     |
|--------------------------------------|-------------------------------------|-------------------------------------|
| Particulars                          | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
| Sanitaryware and other products(net) | 83,620.48                           | 79,443.59                           |
|                                      | <b>83,620.48</b>                    | <b>79,443.59</b>                    |

**Note 32 - Changes in inventories of stock-in-trade**

|  | (₹ in lakh)                         |                                     |
|--|-------------------------------------|-------------------------------------|
| Particulars                                      | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
| <b>Inventories at the end of the year:</b>       |                                     |                                     |
| Stock-in-trade                                   | 15,114.00                           | 17,534.58                           |
|  | <b>15,114.00</b>                    | <b>17,534.58</b>                    |
| <b>Inventories at the beginning of the year:</b> |                                     |                                     |
| Stock-in-trade                                   | 17,534.58                           | 17,124.43                           |
|  | <b>17,534.58</b>                    | <b>17,124.43</b>                    |
| Changes in inventories of stock-in-trade         | <b>2,420.58</b>                     | <b>(410.15)</b>                     |

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**Brilloca Limited**

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021

**Note 33 - Employee benefits expense**

| Particulars                                     | (₹ in lakh)                         |                                     |
|---|-------------------------------------|-------------------------------------|
|   | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
| Salaries, wages and bonus                       | 11,793.91                           | 11,676.66                           |
| Contribution to provident funds and other funds | 629.55                              | 525.41                              |
| Staff welfare expenses                          | 454.37                              | 545.78                              |
|   | <b>12,877.83</b>                    | <b>12,747.85</b>                    |

**Note 34 - Finance cost**

| Particulars                                 | (₹ in lakh)                         |                                     |
|---|-------------------------------------|-------------------------------------|
|   | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
| Interest expense on financial liabilities   | 1,126.35                            | 1,787.24                            |
| Interest on lease liability (Refer note 47) | 275.57                              | 224.99                              |
| Other                                       | 133.62                              | -                                   |
|   | <b>1,535.54</b>                     | <b>2,012.23</b>                     |

**Note 35 - Depreciation and amortisation**

| Particulars   | (₹ in lakh)                         |                                     |
|---|-------------------------------------|-------------------------------------|
|   | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
| Depreciation and amortisation of Property, plant and equipment (Refer note 4) | 1,726.66                            | 1,830.98                            |
| Amortisation of other intangible assets (Refer note 5)                        | 41.50                               | 53.09                               |
| Depreciation on right to use - Building (Refer note 4)                        | 607.02                              | 528.48                              |
|   | <b>2,375.18</b>                     | <b>2,412.55</b>                     |

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**Brilloca Limited****Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021****Note 36 - Other expenses**

| Particulars  | (₹ in lakh)                         |                                     |
|--|-------------------------------------|-------------------------------------|
|  | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
| Power and fuel   | -                                   | 3.57                                |
| Consumption of stores and spares                                 | 8.31                                | 12.59                               |
| Consumption of packing material                                  | 400.70                              | 312.42                              |
| Repairs and maintenance:   |                                     |                                     |
| Buildings  | 5.54                                | 12.05                               |
| Plant and machinery  | 1.87                                | 2.43                                |
| Others   | 404.96                              | 381.67                              |
| Rent (including lease charges)                                   | 961.47                              | 963.14                              |
| Rates and taxes  | 5.61                                | 9.00                                |
| Directors sitting fees   | 4.30                                | 0.50                                |
| Expenditure on ceramic and applied research centre               | -                                   | -                                   |
| Insurance  | 239.53                              | 182.92                              |
| Travelling and conveyance  | 1,653.64                            | 2,472.83                            |
| Commission on sales  | 334.66                              | 318.43                              |
| Freight and forwarding charges                                   | 111.95                              | 74.39                               |
| Advertisement and publicity                                      | 3,776.68                            | 3,417.89                            |
| Transportation and forwarding                                    | 4,615.74                            | 4,754.66                            |
| Sales promotion expenses *                                       | 249.86                              | 1,063.34                            |
| Other selling expenses   | 409.13                              | 111.46                              |
| Provision for expected credit loss (Refer note 11)               | 954.20                              | 591.14                              |
| Provision for doubtful advances/debts                            | 66.93                               | -                                   |
| Bad debts written off  | 5.44                                | 32.94                               |
| Corporate social responsibility expenditure (also refer note 48) | 42.00                               | -                                   |
| Charity and donation   | 26.00                               | -                                   |
| Loss on foreign exchange fluctuation                             | -                                   | -                                   |
| Loss on sale of property, plant and equipment                    | 0.70                                | 22.93                               |
| Management fees  | 249.67                              | 115.00                              |
| Investment written off   | 76.94                               | -                                   |
| Miscellaneous expenses   | 1,269.72                            | 1,417.09                            |
|  | <b>15,875.55</b>                    | <b>16,272.39</b>                    |

\* Including of warranty expenses

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## Note 37 Current tax and deferred tax

## (a) Income tax expense through profit and loss

(₹ in lakh)

| Particulars  | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| <b>Current tax:</b>  |                                     |                                     |
| Current income tax charge (including Minimum alternate tax)                  | 2,863.33                            | 1,830.23                            |
| Earlier year income tax  | (427.44)                            | -                                   |
|  | <b>2,435.89</b>                     | <b>1,830.23</b>                     |
| <b>Deferred tax:</b>   |                                     |                                     |
| In respect of current year origination and reversal of temporary differences | (315.24)                            | (200.42)                            |
| <b>Total tax expense recognised in profit and loss account</b>               | <b>2,120.65</b>                     | <b>1,629.81</b>                     |

## (b) Income tax on other comprehensive income

(₹ in lakh)

| Particulars                                   | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|---|-------------------------------------|-------------------------------------|
| <b>Current tax</b>                            |                                     |                                     |
| Re-measurement of defined benefit obligations | (51.71)                             | 11.07                               |
|   | <b>(51.71)</b>                      | <b>11.07</b>                        |

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

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Company at 25.168% (31 March 2020: 25.168%) and the reported tax expense in the statement of profit and loss are as follows:

| Particulars  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| <b>Profit / (loss) before tax</b>                            | <b>9,312.97</b>        | <b>5,663.25</b>        |
| Domestic tax rate for the Company                            | 25.168%                | 25.168%                |
| Latest statutory enacted income tax for the Company          | 2,343.89               | 1,425.33               |
| <b>Tax effect of :</b>                                       |                        |                        |
| - Non deductible expenses                                    | 77.56                  | 139.23                 |
| - Tax rate difference  | -                      | 67.52                  |
| - Earlier year income tax                                    | (427.44)               | -                      |
| Others   | 126.64                 | (2.27)                 |
| <b>Income-tax recognised in statement of profit and loss</b> | <b>2,120.65</b>        | <b>1,629.81</b>        |

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## Note - 38 Financial instruments and risk review

## Capital management

The Company manages its capital to be able to continue as a going concern while maximising the returns to shareholders through optimisation of the debt and equity balance. The capital structure consists of debt which includes the borrowings as disclosed in note 18 and 23; cash and cash equivalents as disclosed in note 12 and equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained earnings as disclosed in the Statement of changes in equity. For the purpose of calculating gearing ratio, debt is defined as non current and current borrowings (excluding derivatives). Equity includes all capital and reserves of the Company attributable to equity holders of the Company. The Company is not subject to externally imposed capital requirements. The Board reviews the capital structure and cost of capital on an annual basis but has not set specific targets for gearing ratios. The risks associated with each class of capital are also considered as part of the risk reviews presented to the Board of Directors.

The following table summarises the capital of the Company

|   | Note | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------|------------------------|------------------------|
| <b>Equity</b>   |      | <b>25,925.32</b>       | <b>18,579.26</b>       |
| <b>Liquid assets (cash and cash equivalent and current investments) (a)</b> |      | <b>3,055.09</b>        | <b>182.60</b>          |
| Current borrowings  | 23   | 4,599.35               | 15,545.82              |
| Non-current borrowings  | 18   | 2,978.64               | 3,331.96               |
| Current maturities of non current borrowings                                | 25   | 353.32                 | 178.04                 |
| <b>Total debt (b)</b>   |      | <b>7,931.31</b>        | <b>19,055.82</b>       |
| <b>Net debt [c = (b) - (a)]</b>   |      | <b>4,876.22</b>        | <b>18,873.22</b>       |
| <b>Total capital (equity + net debt)</b>                                    |      | <b>30,801.54</b>       | <b>37,452.48</b>       |
| <b>Gearing ratio</b>  |      |                        |                        |
| Debt to equity  |      | 31%                    | 103%                   |
| Net debt to equity ratio  |      | 19%                    | 102%                   |

## Categories of financial instruments

## Categories of financial assets/(liabilities)

| Particulars   | Notes      | 31 March 2021     |                       |                       | 31 March 2020      |                       |                       |
|---|------------|-------------------|-----------------------|-----------------------|--------------------|-----------------------|-----------------------|
|   |            | Carrying value    | Gain/(loss) to income | Gain/(loss) to equity | Carrying value     | Gain/(loss) to income | Gain/(loss) to equity |
| <b>Financial assets measured at amortised costs</b>       |            |                   |                       |                       |                    |                       |                       |
| Trade receivable  | 11         | 24,706.52         | -                     | -                     | 24,238.46          | -                     | -                     |
| Loans   | 7 & 13     | 1,350.96          | -                     | -                     | 318.14             | -                     | -                     |
| Other financial assets                                    | 14         | 817.92            | -                     | -                     | 1,560.23           | -                     | -                     |
| Cash and bank balances                                    | 12         | 491.08            | -                     | -                     | 174.29             | -                     | -                     |
| Investments   | 6          | 50.50             | -                     | -                     | 75.34              | -                     | -                     |
| <b>Total Financial assets measured at amortised costs</b> |            | <b>27,416.98</b>  | <b>-</b>              | <b>-</b>              | <b>26,366.46</b>   | <b>-</b>              | <b>-</b>              |
| <b>Financial assets measured at fair value</b>            |            |                   |                       |                       |                    |                       |                       |
| Investments   | 10         | 2,564.02          | 4.09                  | -                     | 8.31               | 0.48                  | -                     |
| <b>Financial assets at fair value</b>                     |            | <b>2,564.02</b>   | <b>4.09</b>           | <b>-</b>              | <b>8.31</b>        | <b>0.48</b>           | <b>-</b>              |
| <b>Total financial assets</b>                             |            | <b>29,981.00</b>  | <b>4.09</b>           | <b>-</b>              | <b>26,374.77</b>   | <b>0.48</b>           | <b>-</b>              |
| <b>Financial liabilities measured at amortised cost</b>   |            |                   |                       |                       |                    |                       |                       |
| Current payables  | 23, 24, 25 | 23,685.06         | -                     | -                     | 31,109.76          | -                     | -                     |
| Non-current payables                                      | 19         | 5,347.70          | -                     | -                     | 5,229.79           | -                     | -                     |
| Non-current borrowings                                    | 18         | 2,978.64          | -                     | -                     | 3,331.96           | -                     | -                     |
| <b>Financial liabilities measured at amortised cost</b>   |            | <b>32,011.40</b>  | <b>-</b>              | <b>-</b>              | <b>39,671.51</b>   | <b>-</b>              | <b>-</b>              |
| <b>Total financial assets/(liabilities)</b>               |            | <b>(2,030.40)</b> | <b>4.09</b>           | <b>-</b>              | <b>(13,296.74)</b> | <b>0.48</b>           | <b>-</b>              |

## 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.

**Note - 38 Financial instruments and risk review (contd.)****Credit risk:**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Company is exposed to credit risk for receivables, cash and cash equivalents, short term investments, financial guarantee and derivative financial instruments.

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

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

**Trade receivables**

The Company extends credits to customer in normal course of the business. The Company considers the factors such as credit track record in the market of each customer and past dealings for extension of credit to the customer. The Company monitors the payment track record of each customer and outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located at several jurisdiction and industries and operate in large independent markets. The Company also takes advances and security deposits from customers which mitigate the credit risk to an extent.

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

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

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

Expected credit loss :

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

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

**Ageing of past due trade receivables**

| Period                  | (₹ in lakh)            |                        |
|-------------------------|------------------------|------------------------|
|                         | As at<br>31 March 2021 | As at<br>31 March 2020 |
| Not due for payment     | 13,879.42              | 6,649.43               |
| Up to 6 months          | 7,987.03               | 14,205.04              |
| From 6 months to 1 year | 600.12                 | 1,260.82               |
| From 1 year to 3 years  | 2,708.83               | 2,521.91               |
| More than 3 years       | 3,065.94               | 2,181.88               |

**Ageing of impaired trade receivables**

| Period                    | As at         |               |
|---------------------------|---------------|---------------|
|                           | 31 March 2021 | 31 March 2020 |
| Up to 6 months            | -             | -             |
| From 6 months to 1 year * | -             | -             |
| From 1 year to 3 years    | 468.88        | 398.74        |
| More than 3 years         | 3,065.94      | 2,181.88      |

\* 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.



## Note - 38 Financial instruments and risk review (contd.)

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

| Particulars                  | As at 31 March 2021 |                         |   |                       | Total            |
|------------------------------|---------------------|-------------------------|---|-----------------------|------------------|
|                              | Notes               | not later than one year | later than one year and not later than five years | later than five years |                  |
| (₹ in lakh)                  |                     |                         |   |                       |                  |
| <b>Financial liabilities</b> |                     |                         |   |                       |                  |
| Borrowings - bank loans      | Note 18, 23, 25     | 4,952.67                | 2,103.64  | 875.00                | 7,931.31         |
| Current payables             | Note 24, 25         | 18,951.78               |   |                       | 18,951.78        |
| Non-current payables         | Note 19             | -                       | 2,130.62  | 3,806.14              | 5,936.76         |
| <b>Total</b>                 |                     | <b>23,904.45</b>        | <b>4,234.26</b>                                   | <b>4,681.14</b>       | <b>32,819.85</b> |

| Particulars                  | As at 31 March 2020 |                         |   |                       | Total            |
|------------------------------|---------------------|-------------------------|---|-----------------------|------------------|
|                              | Notes               | not later than one year | later than one year and not later than five years | later than five years |                  |
| (₹ in lakh)                  |                     |                         |   |                       |                  |
| <b>Financial liabilities</b> |                     |                         |   |                       |                  |
| Borrowings - bank loans      | Note 18, 23, 25     | 15,723.86               | 1,931.96  | 1,400.00              | 19,055.82        |
| Current payables             | Note 24, 25         | 15,594.50               | -   | -                     | 15,594.50        |
| Non-current payables         | Note 19             | -                       | 2,252.96  | 3,596.05              | 5,849.01         |
| <b>Total</b>                 |                     | <b>31,318.36</b>        | <b>4,184.92</b>                                   | <b>4,996.05</b>       | <b>40,499.33</b> |

**Market risk**

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

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

**Currency risk**

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

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

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

| Particulars          | Currency | (in lakh)                  |                            |
|----------------------|----------|----------------------------|----------------------------|
|                      |          | As at 31 March 2021        | As at 31 March 2020        |
| Trade receivables    | USD      | 5.77                       | 11.49                      |
| Trade payables       | USD      | 0.91                       | 0.72                       |
|                      | EUR      | 0.19                       | 0.10                       |
|                      | AED      | -                          | 0.13                       |
| <b>Currency rate</b> |          | <b>As at 31 March 2021</b> | <b>As at 31 March 2020</b> |
| USD                  |          | 73.5047                    | 75.3859                    |
| EUR                  |          | 86.0990                    | 83.0496                    |
| AED                  |          | -                          | 20.4905                    |

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

| Particulars       | Currency | (in lakh)           |                     |
|-------------------|----------|---------------------|---------------------|
|                   |          | As at 31 March 2021 | As at 31 March 2020 |
| Trade receivables | USD      | 5.77                | 11.49               |
| Trade payables    | USD      | 0.91                | 0.72                |
|                   | EUR      | 0.19                | 0.10                |
|                   | AED      | -                   | 0.13                |

## Note - 38 Financial instruments and risk review (contd.)

## Sensitivity analysis

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

| Currency | Change in currency exchange rate | (₹ in lakh)                               |   |
|----------|----------------------------------|---|---|
|          |                                  | Effect on profit before tax 31 March 2021 | Effect on profit before tax 31 March 2020 |
| USD      | 5%                               | 17.87                                     | 40.59                                     |
|          | -5%                              | (17.87)                                   | (40.59)                                   |
| EUR      | 5%                               | (0.80)                                    | (0.42)                                    |
|          | -5%                              | 0.80                                      | 0.42                                      |
| AED      | 5%                               | -   | (0.14)                                    |
|          | -5%                              | -   | 0.14                                      |

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

## Interest rate risk

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

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

| Particulars                    | Change in interest rate | (₹ in lakh)                               |   |
|--------------------------------|-------------------------|---|---|
|                                |                         | Effect on profit before tax 31 March 2021 | Effect on profit before tax 31 March 2020 |
| Long term borrowings from bank | 0.50%                   | (16.63)                                   | (17.55)                                   |
|                                | -0.50%                  | 16.63                                     | 17.55                                     |

## Commodity risk

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

## Note 39 - Fair value measurement

## 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                     | 8.31          | 1                    | -                                       | -                                 | -   |

## Other financial instruments

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

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**Note 40 - 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 ₹ 440.31 lakh (previous year ₹ 362.54 lakh) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

**B. Defined benefit plans****Gratuity**

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company Scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity Scheme administered by the Birla Sun Life Insurance Company Limited. (Refer note 53).

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

| Particulars  | (₹ in lakh)   |               |
|--|---------------|---------------|
|  | Funded plan   |               |
|  | Gratuity      |               |
|  | 31 March 2021 | 31 March 2020 |
| Current service cost   | 141.31        | 123.07        |
| Net interest expense/(income)  | 4.43          | (0.35)        |
| Components of defined benefit costs recognised in profit or loss               | 145.74        | 122.72        |
| Net actuarial (gain)/loss  | (42.01)       | 16.51         |
| Expected return on plan assets excluding interest income                       | (163.44)      | 26.67         |
| Components of defined benefit costs recognised in other comprehensive income   | (205.45)      | 43.18         |
| <b>I. Net asset/(liability) recognised in the balance sheet as at 31 March</b> |               |               |
| 1. Present value of defined benefit obligation                                 | 563.86        | 557.45        |
| 2. Fair value of plan assets   | 496.17        | 430.05        |
| 3. Deficit   | 67.69         | 127.40        |
| 4. Current portion of the above  | 67.69         | 127.40        |
| <b>II. Change in the obligation during the year ended 31 March</b>             |               |               |
| 1. Present value of defined benefit obligation at the beginning of the year    | 557.45        | 423.54        |
| 2. Expenses recognised in the statements of profit and loss                    |               |               |
| - Current service cost   | 141.31        | 123.07        |
| - Interest expense   | 34.32         | 27.08         |
| 3. Recognised in other comprehensive income                                    |               |               |
| - Actuarial (gain)/loss arising from experience adjustments                    | (20.97)       | (39.68)       |
| - Actuarial (gain)/loss arising from financial assumption                      | (21.04)       | 56.19         |
| 4. Benefit payments  | (127.21)      | (32.75)       |
| <b>5. Present value of defined benefit obligation at the end of the year</b>   | <b>563.86</b> | <b>557.45</b> |

(₹ in lakh)

| Particulars   | Funded plan   |               |
|---|---------------|---------------|
|   | Gratuity      |               |
|   | 31 March 2021 | 31 March 2020 |
| <b>III. Change in fair value of assets</b>                            |               |               |
| 1. Fair value of plan assets at the beginning of the year             | 430.05        | 412.42        |
| 2. Recognised in the statement profit and loss                        |               |               |
| - Expected return on plan assets                                      | 29.89         | 27.43         |
| 3. Recognised in other comprehensive income                           |               |               |
| - Actual return on plan assets in excess of the expected return       | 163.44        | (26.67)       |
| 4. Contributions by employer (including benefit payments recoverable) | -             | 49.62         |
| 5. Benefit payments   | (127.21)      | (32.75)       |
| <b>6. Fair value of plan assets at the end of the year</b>            | <b>496.17</b> | <b>430.05</b> |

**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 |
|  | <b>Discount rate</b> | 0.50%                         | (32.65)              | 0.50%                         |
|  | -0.50%               | 35.71                         | -0.50%               | 33.59                         |
| <b>Expected rate of increase in compensation level</b> | 0.50%                | 34.01                         | 0.50%                | 31.69                         |
|  | -0.50%               | (31.51)                       | -0.50%               | (29.29)                       |

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                            | 563.86     | 557.45     |
| 2. Fair value of plan assets                             | 496.17     | 430.05     |
| 3. Surplus/(deficit)                                     | (67.69)    | (127.40)   |
| 4. Experience adjustment on plan liabilities gain/(loss) | 20.97      | 39.68      |

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)****(₹ in lakh)**

|  | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| <b>Amounts recognised in the balance sheet</b>                               |                                     |                                     |
| Non current (Refer note 20)  | 328.35                              | 321.06                              |
| Current (Refer note 28)  | 45.21                               | 17.60                               |
|  | <u>373.56</u>                       | <u>338.66</u>                       |
| <b>Amounts recognised in the statement of profit and loss</b>                |                                     |                                     |
| Current service cost   | 117.46                              | 102.87                              |
| Interest cost  | 23.03                               | 23.35                               |
| Actuarial loss   | 49.31                               | (1.76)                              |
| <b>Total included in employee benefits expense</b>                           | <u><b>189.80</b></u>                | <u><b>124.46</b></u>                |
| <b>Reconciliation of opening and closing balances of benefit obligations</b> |                                     |                                     |
| <b>Change in benefit obligation</b>  |                                     |                                     |
| Defined benefit obligation at the beginning of the year                      | 338.66                              | 305.21                              |
| Interest cost  | 23.03                               | 23.35                               |
| Current service cost   | 117.46                              | 102.87                              |
| Benefits paid  | (154.90)                            | (91.01)                             |
| Actuarial loss   | 49.31                               | (1.76)                              |
| <b>Defined benefit obligation at the end of the year</b>                     | <u><b>373.56</b></u>                | <u><b>338.66</b></u>                |

The average duration of remaining working life at the end of the reporting period is 16.52 years (Previous year 17.05 years)

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**Note 41 - Segment Information**

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

**Note 42 - Earnings per share**

| Particulars  | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Profit / (loss) for the year attributable to owners of the Company (₹ in lakh) | 7,192.32                            | 4,033.44                            |
| Weighted average number of equity shares (nos.) (refer note 16)                | 2,45,00,000                         | 2,45,00,000                         |
| Nominal value per share (₹)  | 2.00                                | 2.00                                |
| Earnings per share - basic and diluted (₹)                                     | 29.36                               | 16.46                               |

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 - 43 Contingent liabilities not provided for in respect of:**

(₹ in lakh)

| Particulars  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--|------------------------|------------------------|
| a) Demands made by the sales tax authorities against which appeals have been filed | 461.30                 | 553.94                 |
| b) Claims against the Company not acknowledged as debts                            | 143.11                 | 55.16                  |

**Note - 44 Capital and other commitments**

(₹ in lakh)

| Particulars   | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---|------------------------|------------------------|
| a) Commitments relating to contracts remaining to be executed on capital account and other commitments not provided for | 262.46                 | 173.87                 |

**Note - 45 Payment to statutory auditors (excluding goods and service tax)**

(₹ in lakh)

| Particulars                   | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|-------------------------------|-----------------------------|-----------------------------|
| As auditors                   | 8.00                        | 8.00                        |
| For taxation matters          | 2.00                        | 2.00                        |
| Other services                | 2.40                        | 3.25                        |
| For reimbursement of expenses | 0.23                        | -                           |
|                               | <b>12.63</b>                | <b>13.25</b>                |

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**Brilloca Limited****Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021****Note 46 - Related party transactions**

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

**List of related parties****Relationship**

Key management personnel (KMP)

**Name of related party (as identified by the management)****Executive directors**

Mr. Sandip Somany (Chairman &amp; Managing Director)

**Executives / Key Managerial Personnel**

Mr. Sandeep Sikka (CFO)

Ms Payal M Puri (CS)

**Non-executive directors**

Mr. G.L. Sultania

Mr. Ashok Jaipuria

Mr. Salil Bhandari

Dr. Rainer Siegfried Simon

Mr. N.K. Goenka (Ceased to be director w.e.f. 13th May 2020)

Ms. Alpana Parida

Relative of Key management personnel

Ms. Sumita Somany (Wife of Mr. Sandip Somany) (w.e.f. 01-Aug-2020)

Holding company

Somany Home Innovation Limited

Subsidiaries

Halis International Limited, Mauritius

Alchemy International Cooperatief U.A. (subsidiary of Halis International Limited) (Liquidated on 16th March 2021)

Haas International B.V. (subsidiary of Alchemy International Cooperatief U.A.) (Liquidated on 16th March 2021)

Queo Bathroom Innovations Limited, UK (subsidiary of Haas International B.V. till 15-Mar-2021 &amp; became subsidiary of Halis International Limited w.e.f. 16-Mar-2021)

Fellow Subsidiaries

Hintastica Private Limited (Subsidiary of Somany Home Innovation Limited)

Hindware Home Retail Private Limited (Subsidiary of Somany Home Innovation Limited)

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

Textool Mercantile Private Limited

Khaitan &amp; Co. LLP

Others

HSIL Limited (Subsidiary of Somany Impresa Limited (which is having significant influence over the holding company) w.e.f. 31-Dec-2020)

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.

**(₹ in lakh)**

| Particulars   | Holding/Subsidiary/Fellow Subsidiaries |               | Entities where significant influence is exercised by KMP/KMP of holding company/ and/or their relatives and other related parties |               |
|---|--|---------------|---|---------------|
|   | 31 March 2021                          | 31 March 2020 | 31 March 2021   | 31 March 2020 |
| <b>Transactions during the year</b>   |  |               |   |               |
| <b>Investment made in</b>   |  |               |   |               |
| Equity component in redeemable preference shares of Halis International Limited | 52.10                                  | -             | -   | -             |
| <b>Management fees received from</b>  |  |               |   |               |
| Somany Home Innovation Limited  | 321.90                                 | 15.72         | -   | -             |
| HSIL Limited  | -                                      | -             | 1,193.26  | -             |
| <b>Management fees paid to</b>  |  |               |   |               |
| HSIL Limited  | -                                      | -             | 249.67  | -             |
| <b>Rent paid to</b>   |  |               |   |               |
| Somany Home Innovation Limited  | 33.60                                  | 8.40          | -   | -             |
| Textool Mercantile Private Limited  | -                                      | -             | 2.80  | 1.12          |
| HSIL Limited  | -                                      | -             | 745.31  | -             |
| <b>Loan given to</b>  |  |               |   |               |
| Somany Home Innovation Limited  | 1,000.00                               | -             | -   | -             |
| <b>Interest received from</b>   |  |               |   |               |
| Somany Home Innovation Limited  | 77.42                                  | -             | -   | -             |

**Brilloca Limited**

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021

(₹ in lakh)

| Particulars  | Holding/Subsidiary/Fellow Subsidiaries |               | Entities where significant influence is exercised by KMP and/or their relatives and other related parties |               |
|--|--|---------------|---|---------------|
|  | 31 March 2021                          | 31 March 2020 | 31 March 2021   | 31 March 2020 |
| <b>Transactions during the year</b>                                |  |               |   |               |
| <b>Sale of fixed assets to</b>                                     |  |               |   |               |
| Somany Home Innovation Limited                                     | 21.45                                  | -             | -   | -             |
| HSIL Limited   | -                                      | -             | 32.96   | -             |
| <b>Purchase of fixed assets from</b>                               |  |               |   |               |
| Somany Home Innovation Limited                                     | 2.13                                   | -             | -   | -             |
| <b>Purchase (net) of goods from</b>                                |  |               |   |               |
| Somany Home Innovation Limited                                     | 5.50                                   | -             | -   | -             |
| Hindware Home Retail Private Limited                               | 5.36                                   | -             | -   | -             |
| HSIL Limited   | -                                      | -             | 59,504.30   | -             |
| <b>Sale of goods to</b>  |  |               |   |               |
| HSIL Limited   | -                                      | -             | 17.48   | -             |
| <b>Rent received from</b>  |  |               |   |               |
| Hintastica Private Limited   | 0.82                                   | 0.50          | -   | -             |
| <b>Reimbursement of expense received from</b>                      |  |               |   |               |
| HSIL Limited   | -                                      | -             | 3.58  | -             |
| <b>Reimbursement of expenses paid to</b>                           |  |               |   |               |
| HSIL Limited   | -                                      | -             | 10.86   | -             |
| <b>Security Deposit given</b>                                      |  |               |   |               |
| HSIL Limited   | -                                      | -             | 62.11   | -             |
| <b>Contribution made</b>   |  |               |   |               |
| Somany provident fund institution                                  | -                                      | -             | -   | 78.90         |
| <b>Consultancy fees paid to</b>                                    |  |               |   |               |
| Khaitan & Co. LLP  | -                                      | -             | 0.58  | -             |
| <b>Balances outstanding as at the end of the year - Receivable</b> |  |               |   |               |
| Somany Home Innovation Limited                                     |  |               |   |               |
| Loan receivable  | 1,000.00                               | -             | -   | -             |
| Others   | 984.96                                 | 651.78        | -   | -             |
| Hintastica Private Limited   | 1.46                                   | 0.50          | -   | -             |
| HSIL Limited   | -                                      | -             | 1,731.65  | -             |
| <b>Balances outstanding as at the end of the year - Payable</b>    |  |               |   |               |
| Textool Mercantile Private Limited                                 | -                                      | -             | -   | 0.21          |
| Khaitan & Co. LLP  | -                                      | -             | 0.09  | -             |

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**Brilloca Limited**

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021

**Note 46 - Related party transactions (Contd.)**

| Particulars   | (₹ in lakh)                                  |               |
|---|--|---------------|
|   | Key management personnel and their relatives |               |
| Transactions during the year  | 31 March 2021                                | 31 March 2020 |
| <b>Remuneration of key management personnel and their relatives</b> |  |               |
| Mr. Sandip Somany   | 496.71                                       | 140.63        |
| Mr. Sandeep Sikka   | 260.83                                       | 28.00         |
| Ms. Sumita Somany   | 58.37  | -             |
| Commission and other payments to non executive directors            | 103.68                                       | 60.44         |
| <b>Remuneration payable as at the end of the year</b>               |  |               |
| Mr. Sandip Somany   | 153.87                                       | 12.42         |
| Mr. Sandeep Sikka   | 9.70   | 9.18          |
| Ms Sumita Somany  | 2.59   |               |
| Commission and other payments to non executive directors            | 99.38  | 59.94         |

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

| Particulars                    | (₹ in lakh)                 |                             |
|--------------------------------|-----------------------------|-----------------------------|
|                                | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
| Short-term employee benefits # | 874.05                      | 214.73                      |
| Post-employment benefits       |                             |                             |
| - Defined contribution plan \$ | 45.54                       | 14.34                       |
| - Defined benefit plan *       | -                           | -                           |
| - Other long-term benefits *   | -                           | -                           |
| Rent paid                      | -                           | -                           |
| <b>Total</b>                   | <b>919.59</b>               | <b>229.07</b>               |

# 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.

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**Brilloca Limited****Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021****Note 47 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

**(₹ in lakh)**

| <b>Particulars</b>            | <b>As at<br/>31 March 2021</b> | <b>As at<br/>31 March 2020</b> |
|-------------------------------|--------------------------------|--------------------------------|
| Current lease liabilities     | 446.64                         | 417.78                         |
| Non current lease liabilities | 2,363.81                       | 2,432.41                       |
| <b>Total</b>                  | <b>2,810.45</b>                | <b>2,850.19</b>                |

The following is the movement in lease liabilities during the year ended March 31, 2020:

| <b>Particulars</b>                     | <b>As at<br/>31 March 2021</b> | <b>As at<br/>31 March 2020</b> |
|--|--------------------------------|--------------------------------|
| Balance at the beginning               | 2,850.19                       | -                              |
| Addition                               | 736.43                         | 3,205.79                       |
| Finance cost accrued during the period | 275.57                         | 224.99                         |
| Deletions /adjustment                  | 309.57                         | -                              |
| Payment of lease liabilities           | 651.87                         | 580.59                         |
| Lease concession                       | 90.30                          | -                              |
| Balance at the end                     | <b>2,810.45</b>                | <b>2,850.19</b>                |

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

| <b>Particulars</b>   | <b>As at<br/>31 March 2021</b> | <b>As at<br/>31 March 2020</b> |
|----------------------|--------------------------------|--------------------------------|
| Less than one year   | 666.02                         | 626.38                         |
| One to five years    | 2,130.62                       | 2,252.96                       |
| More than five years | 822.26                         | 798.67                         |
| <b>Total</b>         | <b>3,618.90</b>                | <b>3,678.01</b>                |

Rental expense recorded for short-term leases was ₹ 961.47 lakh (Previous period ₹ 963.14 lakh) for the year ended March 31,2021

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**Brilloca Limited****Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021****Note: 48 Corporate social responsibility**

In accordance with the provisions of section 135 of the Act, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms, with the provisions of the said Act, the Company was to spend a sum of ₹ 42.00 lakh (previous year ₹ Nil) towards CSR activities during the year ended 31 March 2021. The CSR Committee has been examining and evaluating suitable proposals for deployment of funds towards CSR initiatives, however, the committee expects finalization of such proposals in due course. During the year ended 31 March 2021, the Company has contributed the following sums towards CSR initiatives. (Refer note 36)

| Particulars                                  | (₹ in lakh)                         |                                     |
|--|-------------------------------------|-------------------------------------|
|  | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
| (i) On construction/acquisition of any asset | 36.80                               | -                                   |
| (ii) On purposes other than (i) above        | 5.20                                | -                                   |
|  | <b>42.00</b>                        | <b>-</b>                            |

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**Brilloca Limited**

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021

**Note 49 - Financial instrument by category**

(₹ in lakh)

| Particulars  | 31 March 2021 |                 |                  | 31 March 2020 |             |                  |
|--|---------------|-----------------|------------------|---------------|-------------|------------------|
|  | FVOCI         | FVTPL           | Amortised cost   | FVOCI         | FVTPL       | Amortised cost   |
| <b>Non current financial assets</b>                |               |                 |                  |               |             |                  |
| Investments  | -             | -               | 50.50            | -             | -           | 75.34            |
| Loans  | -             | -               | 1,291.37         | -             | -           | 318.14           |
| Other financial assets                             | -             | -               | -                | -             | -           | -                |
| <b>Current financial assets</b>                    |               |                 |                  |               |             |                  |
| Investments  | -             | 2,564.02        | -                | -             | 8.31        | -                |
| Trade receivable                                   | -             | -               | 24,706.52        | -             | -           | 24,238.46        |
| Cash and cash equivalents                          | -             | -               | 491.08           | -             | -           | 174.29           |
| Loans  | -             | -               | 59.59            | -             | -           | -                |
| Bank balances other than cash and cash equivalents | -             | -               | -                | -             | -           | -                |
| Other financial assets                             | -             | -               | 817.92           | -             | -           | 1,560.23         |
| <b>Total financial assets</b>                      | <b>-</b>      | <b>2,564.02</b> | <b>27,416.98</b> | <b>-</b>      | <b>8.31</b> | <b>26,366.46</b> |
| <b>Non Current financial liabilities</b>           |               |                 |                  |               |             |                  |
| Non-current borrowings                             | -             | -               | 2,978.64         | -             | -           | 3,331.96         |
| Other financial liabilities                        | -             | -               | 5,347.70         | -             | -           | 5,229.79         |
| <b>Current financial liabilities</b>               |               |                 |                  |               |             |                  |
| Current borrowings                                 | -             | -               | 4,599.35         | -             | -           | 15,545.82        |
| Trade payables                                     | -             | -               | 4,118.35         | -             | -           | 4,624.20         |
| Other financial liabilities                        | -             | -               | 14,967.37        | -             | -           | 10,939.74        |
| <b>Total financial liabilities</b>                 | <b>-</b>      | <b>-</b>        | <b>32,011.41</b> | <b>-</b>      | <b>-</b>    | <b>39,671.51</b> |

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**Brilloca Limited**

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021

Note 50 - Disclosure under section 186(4) of the Companies Act, 2013

(₹ in lakh)

| Particulars  | Halis International Limited, Mauritius (Wholly owned subsidiary)<br>As at 31 March 2021 | Halis International Limited, Mauritius (Wholly owned subsidiary)<br>As at 31 March 2020 |
|--|---|---|
| <b><u>Guarantee</u></b>                                    |   |   |
| Guarantees given as at the beginning of the financial year | -   | -   |
| Guarantees given during the financial year                 | -   | -   |
| Guarantee closed during the year                           | -   | -   |
| Guarantees given as at the end of the financial year       | -   | -   |
| <b><u>Investments</u></b>                                  |   |   |
| Investments at the beginning of the financial year         | 75.22   | 75.22   |
| Additions during the financial year                        | 52.10   | -   |
| Provision for diminution in the value of during the year   | 76.82   | -   |
| Investment at the end of the financial year                | 50.50   | 75.22   |
| <b><u>Loans and advances</u></b>                           |   |   |
| Loans at the beginning of the financial year               | -   | -   |
| Additions during the financial year                        | -   | -   |
| Return back during the year                                | -   | -   |
| Loans at the end of the financial year                     | -   | -   |

**Brilloca Limited****Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2021****Note 51 - Impact of 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 results of 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.

**Note 52 - GST Note**

The annual return of GST for Financial Year 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 final submission/filing.

**Note 53 :- 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. Somany home innovation Limited and Brilloca has been done on the basis of estimates as per the management of the Company and transferor Company (HSIL Limited)

**Note 54 - 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 55 :- Dividend declaration**

The Board of Directors have recommended a dividend of 500 % i.e. ₹ 10/- on equity share of ₹2/- each for the year ended 31st March 2021 subject to approval of shareholders in the ensuing Annual General Meeting. (The total estimated equity dividend to be paid is ₹ 2450.00 lakh Previous year interim and final dividend of ₹ 2500 lakh exclusive of dividend distribution tax)

**Note 56 :- Liquidation of stepdown 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 31st March 2021. The Company is in process of filing necessary form with the Designated AD category/ AD bank in this regard.

**Note 57 :- Change of useful life**

Based on technical assessments carried out by technical experts in line with usage & practices, the Company had during the year revised the useful life of certain class of Property, Plant and Equipment. The aforesaid revision in useful life had been given effect from 1st April 2020. The depreciation for year ended 31st March 2021 is lower by ₹ 207.04 lakh.

**Note 58** - 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 and on behalf of the Board of Directors

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

Sd/-

**Gaurav Lodha**  
Partner  
M. No. 507462  
**Place** : New Delhi  
Date : 19th May, 2021

Sd/-

**G.L. Sultania**  
Director  
DIN: 00060931

Sd/-

**Payal M. Puri**  
Company Secretary  
ACS No.: 16068

Sd/-

**Sandip Somany**  
Vice Chairman and Managing Director  
DIN: 00053597

Sd/-

**Sandeep Sikka**  
Chief Financial Officer

Place : Gurugram  
Date : 19th May, 2021

**Brilloca Limited**

Form AOC-1

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

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

| Part "A" : Subsidiaries |  |   |   |               |                    |              |                   |                                     |   |                        |                        |                       |                            |   |                   | (₹ in lakh)   |
|-------------------------|--|---|---|---------------|--------------------|--------------|-------------------|-------------------------------------|---|------------------------|------------------------|-----------------------|----------------------------|---|-------------------|---|
| Sr. No.                 | Name of Subsidiary   | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | Share capital | Reserves & surplus | Total assets | Total liabilities | Investments (Other than subsidiary) | Turnover (including other operating income) | Profit before taxation | Provision for taxation | Profit after taxation | Other comprehensive income | Total comprehensive income for the year | Proposed dividend | % of shareholding (including stepdown subsidiary holding) |
| 1                       | Halis International Ltd.<br>(Subsidiary of Brilloca Ltd.)                  | NA  | USD 1 = INR 73.5047   | 2,010.62      | (1,985.86)         | 25.87        | 25.87             | -                                   | -   | (121.57)               | -                      | (121.57)              | 0.54                       | (121.03)                                | -                 | 100%  |
| 2                       | Queo Bathroom Innovations Ltd.<br>(Subsidiary of Halis International Ltd.) | NA  | 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 |                                   |                                      |   |  |                     |  |   |  |                                |                                    |
|  |                                   |                                      |   |  |                     |  |   |  | (₹ in lacs)                    |                                    |
| Sr. No.  | Name of Associates/Joint Ventures | 1. Latest audited Balance Sheet Date | 2. Share of Associate/Joint Venture held by the company on the year end |  |                     | 3. Description of how there is significant influence | 4. Reason why the associate/joint venture is not consolidated | 5. Networth attributable to Shareholding as per latest audited Balance Sheet | 6. Profit/Loss for the year    |                                    |
|  |                                   |                                      | No.   | Amount of investment in Associates/Joint Venture | Extend of Holding % |  |   |  | i. Considered in Consolidation | 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



Place : Gurugram  
Date : 19th May, 2021

Sd/-

**G.L. Sultania**  
Director  
DIN: 00060931

Sd/-

**Payal M. Puri**  
Company Secretary  
ACS No.: 16068

Sd/-

**Sandip Somany**  
Chairman and Managing Director  
DIN: 00053597

Sd/-

**Sandeep Sikka**  
Chief Financial Officer