

NEAPS/BSE ONLINE

6th August, 2022

**The Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
1st Floor, New Trading Ring,
Rotunda Building
Mumbai - 400 001
(BSE Scrip Code: 542905)**

**Listing Department
National Stock Exchange of India Limited
Plot No. C/1, Block-G
Exchange Plaza, 5th Floor,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051
(NSE Symbol: HINDWAREAP)**

Dear Sir/Madam,

Sub: Annual Report of the Company for the Financial Year 2021-22 along with the Notice of 5th Annual General Meeting

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the Company for the Financial Year 2021-22 along with the Notice of 5th Annual General Meeting, being sent to the shareholders of the Company, in accordance with the Circular No. 02/2022 dated 5th May, 2022 issued by the Ministry of Corporate Affairs (“MCA”) and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 issued by the Securities and Exchange Board of India (“SEBI”) read with previous circulars issued by MCA and SEBI.

The Annual Report of the Company for the Financial Year 2021-22 along with the Notice of 5th Annual General Meeting is also available on the website of the Company i.e. www.hindwarehomes.com

You are requested to take the above information on record.

**For HINDWARE HOME INNOVATION LIMITED
(Formerly known as Somany Home Innovation Limited)**



(Payal M Puri)

Company Secretary and V.P. Group General Counsel

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

Enclosure as above

ACCELERATING GROWTH ASPIRATIONS

AGILE • FLEXIBLE • INNOVATIVE



KEY HIGHLIGHTS FOR FY 2021-22
(CONSOLIDATED)

₹2,294 crore

Revenue from Operations

↑ 29% y-o-y growth

₹204 crore

EBITDA

↑ 27% y-o-y growth

₹144 crore

Profit Before Tax

↑ 57% y-o-y growth

₹202 crore

Profit After Tax
(After considering JV results)

↑ 268% y-o-y growth

Note: Figures have been rounded off



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ACCELERATING GROWTH ASPIRATIONS

Business growth is never a given and cannot take place in isolation. It requires sharp decisions and constructive strategies to navigate market turbulence, balance risks and make the most of emerging opportunities to ensure that growth is sustained over the long term.

As pioneers in sanitaryware and faucets, one of the fastest growing players in plastic pipes and fittings with a growing presence in consumer appliances segment, we, at Hindware Home Innovation Limited, have been constantly pushing the frontiers to fulfil our growth ambitions and deliver value to our stakeholders. As we look ahead, we continue to depend on our three core strengths – agility, flexibility and innovation – to push us ahead.

AGILITY

We believe deeply that business simplification and operational efficiencies increase our agility, so we can be smarter and faster.

Further, our ability to understand evolving consumer needs help us introduce products of relevance with speed. In line with this approach, we recently introduced a range of touch free products under the bathware segment, created our extensive range of IoT-enabled products under consumer appliances and launched column pipes with patented double grip brass locking system under our plastic pipes and fittings business.

FLEXIBILITY

Our ability to adapt to market needs. Helped us to rapidly embrace newer channels of distribution, adapting to a world where digital has become the go-to medium for making purchases. We are also planning to strengthen our presence in Tier 1 and Tier 2 cities and reaching deeper into Tier 3 and 4 cities, to tap the under-penetrated markets. Further, as a step towards backward integration, we recently acquired the building products manufacturing business to ensure better control over the entire value chain, from manufacturing to marketing to after-sales.

INNOVATION

Innovation is our backbone and we have made consistent investments in research and technology to transform ourselves into tech-led and data-driven organisation. Our accelerated digital transformation is helping us gain important customer insights through analytics and a greater degree of operational efficiency through automation. We work closely with consumers, researchers, external organisations, and academia to ensure we have the right technology in place, to meet both short- and long-term consumer needs.

Powered by these growth engines, we have consolidated our presence across our business segments, with more than 10x growth in our addressable market size, we aspire to continue on this growth trajectory by maximising our value for all stakeholders.

Feature Stories

Taking strategic strides towards our set goals

During the year, we undertook strategic initiatives to strengthen our brand equity and prospects of future growth.



Refreshing the identity

As part of our growth strategy, we changed our Company name to Hindware Home Innovation Limited, aligning with our iconic brand Hindware, to ensure greater recall value, and is part of our well-considered growth strategy.

As with our other achievements over the past year, these strategic initiatives are a testament to our constant ability to evolve and transform through agile, flexible, and innovative ideas and actions.



Consolidating our value chain

To strengthen our Building Products Business, comprising sanitaryware, faucets, and plastic pipes and fittings, through our wholly owned subsidiary Hindware Limited (erstwhile Brilloca Limited), we acquired the Building Products manufacturing business of AGI Greenpac Limited (erstwhile HSIL Limited) through a slump sale. This will strengthen our backward integration and ensure we have better control over the entire value chain, from manufacturing to after-sales.

Given that the operational environment has evolved owing to the pandemic and supply-side constraints and created undue production challenges, it was now imperative for the business to secure better

control of the complete value chain, including production and supply chain, to continue its sector outperformance. With backward integration, we will have better control over manufacturing processes that will increase our flexibility to align our products with evolving market needs, sharpen our competitive edge and significantly reduce dependence on third-party vendors. Additionally, it will minimize related party transactions, thereby reducing compliance and administrative costs. We now have an optimum mix of in-house and outsourced manufacturing to further increase profitability.

About Us

Aspirations fuelled by innovation

Since its inception, Hindware Home Innovation Limited has leveraged its deep innovation capabilities to fortify its position as a leading player in the building products segment, becoming one of the most promising companies in the consumer appliances segment.





Our portfolio is always evolving to meet consumer demands. We shape our portfolio with products that intelligently cater to the needs of our consumers. We compete in attractive and growing categories and prioritise investments to stay relevant and win in every segment and market in which we operate.

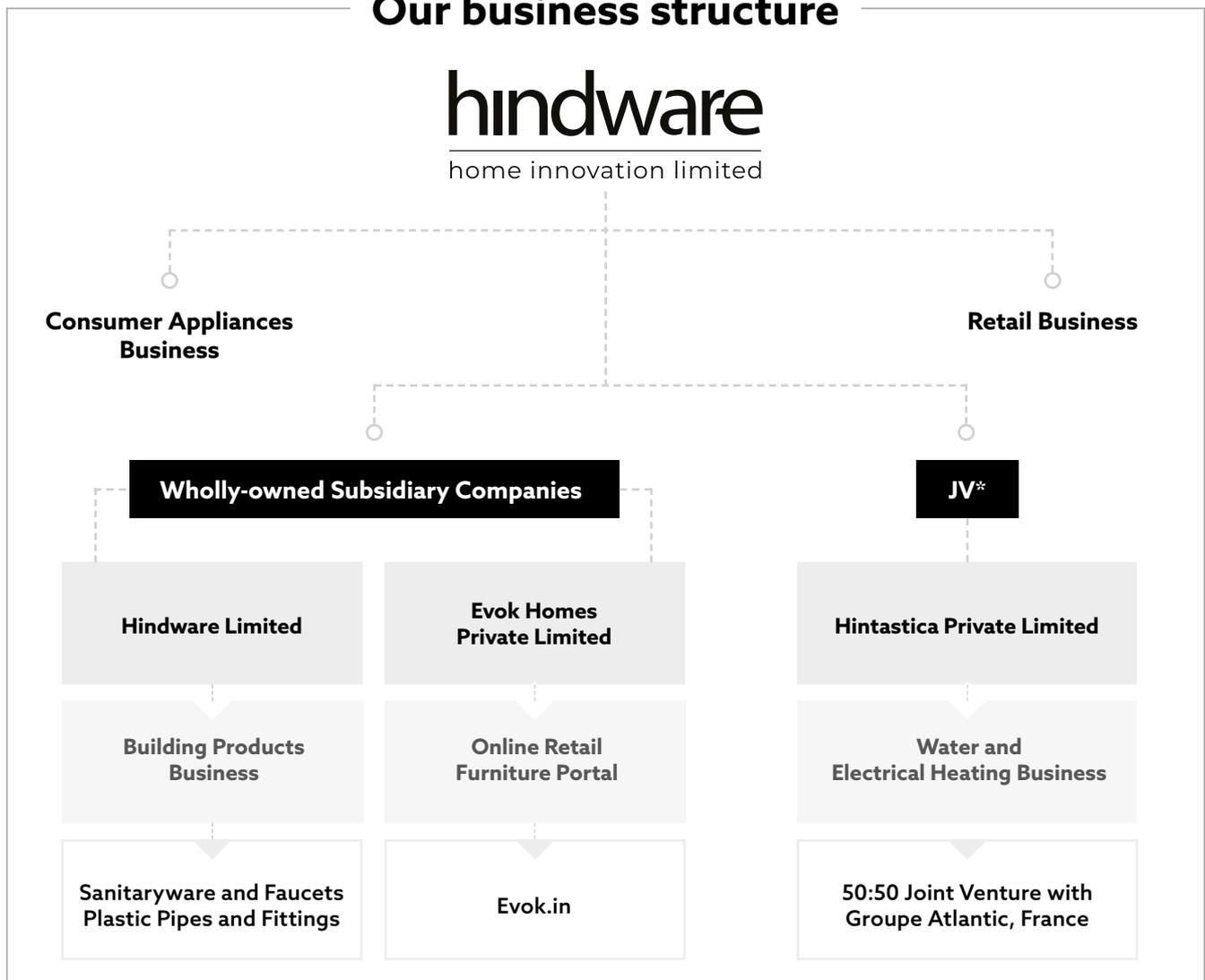
We are the leading player in the building products segment in India. It includes our flagship businesses – sanitaryware, faucets, plastic pipes and fittings, overhead water storage tanks and super premium and premium tiles. 'TRUFLO by Hindware™', our plastic pipes and fittings business, is one of the fastest growing brands in the segment.

Under the Consumer Appliances Business, we have a forward looking portfolio spanning several categories – kitchen appliances, and water purifiers, air coolers, ceiling and pedestal fans, and kitchen and furniture fittings.

Through our 50:50 Joint Venture with a €2.2 billion company, Groupe Atlantic of France, under Hintastica Private Limited (HPL), we are also present in the fast-growing consumer water heater and electric heating segment in India.

We have created distinctive distribution channels for our various business segments and created an omnichannel presence to stay close to our customers and widen our market reach.

Our business structure



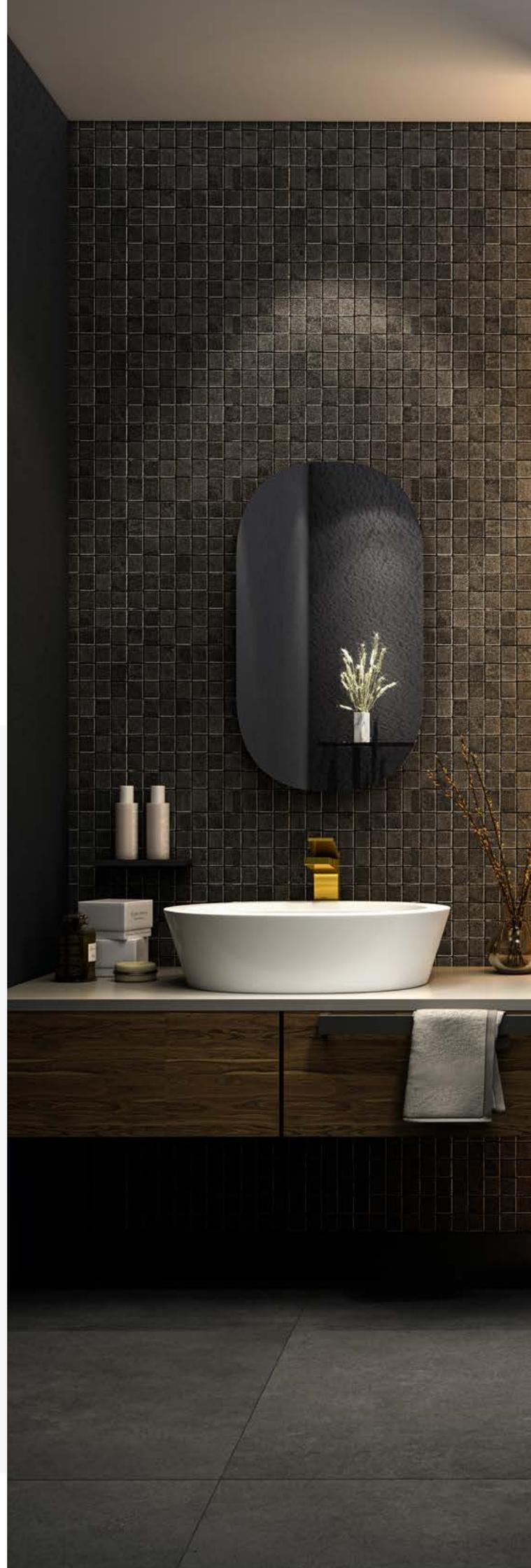
*Note: Wholly-owned subsidiary of Hindware Home Innovation Limited till 19th August 2021

Our Business Verticals

Remaining at the forefront of innovation

Driven by our diverse range of products and unmatched quality, we are the preferred choice for Indian consumers in the building products and consumer appliances segment. A market pioneer, we are also trendsetters, catering to, inspiring, and shaping new consumer demands, and continue to remain a leading player in the business segments we operate in.

At Hindware Home Innovation Limited, we leverage our deep understanding of consumer behaviour by developing diverse products that cater to the growing needs of our consumers. We have developed strategic partnerships with multiple global companies and niche players while consistently investing in the latest technologies to enhance our innovative edge. We continue to improve our designs to deliver the best in style and comfort to our consumers. Our strong multi-channel distribution network has allowed us to be closer to our customers. Our unwavering commitment to excellence helps us to enhance customer satisfaction and retain our market dominance.





BUILDING PRODUCTS BUSINESS

Under Hindware Limited, we house sanitaryware, faucets, tiles, and plastic pipes and fittings businesses.

BATHWARE

Sanitaryware and faucets

We offer a spectrum of best-in-class bathware products with several brands across the value chain. These include Queo, a luxury brand offering bath lounges; Hindware Italian Collection, a premium brand offering contemporary designs; the iconic legacy brand, Hindware, a household name that has been at the forefront of industry-first designs and innovations.

Our 310+ brand stores, 20,000+ retail touchpoints, and 290+ distributors give us access to a huge customer base. Additionally, we have a separate team catering to 1,100+ marquee institutional clients. Our pan-India service network of 530+ technicians across 700+ districts cater to customer demands with a turnaround time of 24 hours in urban areas and 48 hours in upcountry markets.

310+

Brand stores

20,000+

Retail touchpoints

290+

Distributors



Premium tiles

We offer super-premium and premium tiles under the brand Hindware Italian. Our exceptional selection of tiles are available in 10+ categories and can be utilised for flooring, baths, and tiling in both commercial and residential establishments. Our designs range from classic to contemporary, offering a multitude of finishes like matte, polished, dazzle, high gloss, satin, and rustic, to complement any design aesthetic.

10+

Categories of tiles

Our Business Verticals



PLASTIC PIPES AND FITTINGS

Under the **TRUFLO by Hindware™** brand, we offer 1,200+ SKUs of plastic pipes and fittings, including the best-in-class CPVC (chlorinated polyvinyl chloride), lead-free UPVC (unplasticised polyvinyl chloride), SWR pipes, PVC pipes for potable water and Column pipes for borewell application. Our high-quality NSF certified CPVC piping solutions are suitable for hot and cold plumbing solutions. They are made with CPVC compound Durastream, which is supplied by our key partner, the \$10 billion Japanese conglomerate Sekisui Chemical Co. Ltd.

1,200+

SKU's

We recently forayed into overhead water storage tanks. Our complementary product portfolios and sales forces, strong professional support and similar distribution channels will advance Truflo's presence in this category and help establish us among the top 5 players in the industry by FY 2026-27.

Our distribution channel for this segment currently consists of 270+ distributors and 20,000+ retail outlets, helping us serve our customers with greater agility.

LEADERSHIP POSITIONING

BUILDING PRODUCTS

Leaders

In the sanitaryware segment

Leading player

In the faucet segment

One of the

fastest-growing

Plastic Pipes & Fittings brand

CONSUMER APPLIANCES

2nd

Largest player in kitchen chimneys, hoods and hobs

Among Top 5

Player in fragmented water heaters & air coolers

32+

Patents filed since inception



GreenCO
Platinum Rated
Sustainable
Manufacturing



NSF, NSF/ANSI
14 for CPVC Pipes
& Fittings



Green Platinum
Rated Factory
Building



CIPET (Central
Institute of Plastics
Engineering &
Technology)- for
CPVC, SWR, PVC
Pipes & Fittings



Certified
ISO 9001:2015
Company



CFTRI
(Central Food
Technological
Research
Institute)-for
CPVC & UPVC
Pipes & Fittings



CONSUMER APPLIANCES BUSINESS

Continuous product innovation and design excellence have been key drivers since the inception of this business. Our sustained investment in research and development has helped us anticipate consumer aspirations, and thus create products that meet those demands, adding convenience and style to their daily life. We have one of the largest ranges of connected and smart appliances in the industry in India and have 32+ patents (applied) that showcase our commitment to bringing technological improvements and creating value additions in the lives of our consumers.

We have innovative offerings across varied product categories such as kitchen appliances, air coolers, water purifiers, along with ceiling and pedestal fan categories. Our Joint venture with Groupe Atlantic, a leading French conglomerate in water heaters and heating solutions segment under the Company **Hintastica Private Limited (HPL)**, houses the manufacturing, marketing and distribution of our water heaters and room heaters business. Groupe Atlantic has 50+ years of experience of providing eco-friendly heating and hot water solutions in Europe, Middle East, Africa and Asia.

Under the brand, **FGV Powered by Hindware** we offer kitchen and furniture products such as normal MS slide-on, integrated soft close, corner pie, wide-angle hinges, comfy ball wearing and excel bottom mounted drawer channels, and Ten, Uniplus, and Unilus drawer systems and aerolift liftups.



12,500+

Retail outlets

1,400+

Distributors & dealers;
Modern & large retail outlets

140+

Exclusive kitchen galleries



5,000+

Products

17,000+

Pin codes

RETAIL BUSINESS

We offer specialty home interior products through modern format stores and digital platforms under the brand '**EVOK**'. With its suite of 5,000+ products, delivered across 17,000+ pin codes, EVOK is fast becoming a partner of choice for customers aspiring for value-for-style home interior solutions. To explore the huge growth potential of the e-commerce sector, we have created our online portal 'www.evok.in' while also making our products available through Amazon, Flipkart, Pepperfry, and other e-commerce sites.

To augment our profitability quotient, we have shifted to a franchise-based and online-driven business model, vis à vis a company-owned physical stores model.

We are the first brand in the furniture domain to launch a hyperlocal platform and have created a strong online presence, even as our franchise-owned stores and two of our own stores boost our physical presence.

Chairman's Message

Accelerating the growth journey

DEAR SHAREHOLDERS,



It gives me immense pleasure to present the Annual Report for FY 2021-22 of Hindware Home Innovation Limited. Together, we have sailed through another challenging year and have continued to excel, developing critical expertise and innovative products to accelerate our growth.





Despite COVID-related headwinds, significant supply chain constraints, and a rapid rise in cost during the year, we reported strong growth on the back of our strategy, innovation, and a closer embrace of digitalisation. We adapted to the shifting landscape by strategically adding talent, reorganising to better serve our customers, and expanding our business to strengthen our position, for a better today and tomorrow.

We continuously diversify our business portfolio to increase our addressable market, helping us to enhance the intrinsic value of your Company and reduce associated risks. Our addressable market has grown by more than 10X, from ₹4,000 crore in 2010 to the current ₹50,000 crore. This has been possible due to our successful foray into newer high-growth product categories, while strengthening our existing businesses.

LOOKING BACK AT OUR PERFORMANCE

We delivered yet another year of strong performance, reporting a consolidated revenue of ₹2,294 crore, a growth of 29% over the previous year. EBITDA stood at ₹204 crore, having grown 27% from last year and PAT (after considering JV results) stood at ₹202 crore (including exception income), registering a 268% y-o-y growth.



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The Building Products Business, which includes Bath Products and Plastic Pipes and Fittings businesses, delivered a robust performance. In FY 2021-22, revenue for the segment stood at ₹1,795 crore, registering a growth of 42%. Our bathware segment outperformed the market, on the back of product and design leadership, brand awareness, a diverse product portfolio, and a strong distribution network.

The Plastic Pipes and Fittings business, on a standalone basis, reported strong revenue and volume growth, retaining its position of being the fastest growing brand in the country in this segment. The business has grown from ₹250 crore in FY 2019-20 to ₹606 crore in FY 2021-22, driven by our strong fundamentals.

The revenue from operations for our Consumer Appliances business stood at ₹431 crore, despite high input costs and supply-side disruptions impacting demand. As you remember, Groupe Atlantic France, a €2.2 billion Euro Company with a dominant presence in manufacturing and distribution of eco-friendly heating products and hot-water solutions, invested ₹68.3 crore for a 50% stake in Hintastica Private Limited (water heating solutions business), a subsidiary of Hindware Home Innovation Limited. The state-of-the-art manufacturing facility of Hintastica Private Limited is on track and is expected to be operational by FY 2022-23.

Focusing on the franchise model and an omnichannel strategy has augured well for our retail business Evok.

A NEW IDENTITY

hindware

Hindware brand stands for trust, innovation, and legacy. To leverage the brand equity, we have changed the name of our Company to Hindware Home Innovation Limited. Aligned to the mother brand Hindware, all consumer appliances products are now housed under the brand Hindware Smart Appliances. With the new identity, we will continue to lead the industry with our innovative, smart, and connected appliances, delivering ease, simplicity, and happiness to our consumers' busy lives. In line with this, the wholly-owned subsidiary company is now rebranded as Hindware Limited (erstwhile Brilloca Limited) and houses our Building Products Business comprising bath products and plastic pipes and fittings businesses.

Chairman's Message

DELVING DEEPER

We witnessed significant growth in market share for our bathware business as we continued to invest in product and design leadership, brand salience, developing a wide product portfolio and distribution network. Our hyperlocal approach was another growth enabler, helping drive customers towards our offerings. We've expanded our focus on innovation to provide our customers with a well-differentiated and diversified range of products that utilise cutting-edge technology. We recognise that we must be closer to our customers than ever before, and our increased investment in distribution and retail expansion, including e-commerce and direct-to-consumer channels, is assisting us in achieving this goal. We are offering our customers technologically advanced, aesthetically pleasing products that cater to their present needs such as our touchless products, which has seen a strong demand because of the pandemic.

A strong portfolio of 1,200+ SKUs, under our Plastic Pipes and Fittings business, along with our focused go-to-market strategy, is helping us grow at an accelerated rate. Our capacity expansion at the existing Plastic Pipes and Fittings plant in Telangana is expected to be completed before December 2022. With this addition, the capacity will increase from 35,000 metric tons to 48,000 metric tons per annum.



We are further investing ~₹180 crore in a greenfield plant in Uttarakhand for our Plastic Pipes and Fittings business, which will help us widen our footprint and grow our market share. The initial manufacturing capacity will be 12,500 metric tons per annum.



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The growth of digitalisation following the pandemic has led to a shift in consumer behaviour, particularly with regard to home appliances. Customers want appliances that are smart and intuitive which add to their comfort. The pandemic has also accelerated the acceptance of connected appliances beyond Tier 1 markets. Considering these shifts, we are investing further in research and innovation to introduce consumer appliances products that meet these evolving needs.

The other trend is the growth of e-commerce as the preferred mode of shopping. We have undertaken initiatives to grow our online retail presence to elevate our brand and product visibility. Currently, our products are also sold through all major e-commerce marketplaces. This omnichannel accessibility has significantly helped us in gaining market share.

STRENGTHENING OUR PEOPLE CAPITAL

We ensure a motivating work environment for our employees, where they can perform to the best of their abilities. We have been successful in creating an inclusive, exciting, and fulfilling environment for our employees. During the year, we implemented several new employee focused programmes to ensure that they feel engaged and appreciated.

I am proud to state that both our companies i.e., Hindware Home Innovation Limited and Hindware Limited, were certified by Great Place to Work® during the year. This certification is a recognition of our Company's culture and the people we attract and retain.



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STRATEGICALLY AHEAD

During the year, we acquired the Building products manufacturing business from AGI Greenpac Limited (erstwhile HSIL Limited) in a slump sale to further strengthen this business, drive greater integration across the value chain, and strengthen our margins. With this acquisition, we are now well-placed to drive efficiencies of scale and deliver improved profitable growth.

While inflation continues, we are monitoring the situation to build operational efficiencies, and implement price hikes to reduce the impact on our margins. India is a strong consumption story, with a growing population base and a young demography. Rising incomes, aspirations, and a deeper penetration of affordable data and internet connectivity is expected to propel the growth of the Indian economy.

I believe we have just begun an exciting growth journey and will continue to unlock significant value for all our stakeholders. We look forward to further building your Company in FY 2022-23 and beyond. Thank you for your continued support.

Warm regards,

Sandip Somany
Chairman



Board of Directors: Hindware Home Innovation Limited

Adeptly steering the growth journey



Mr. Sandip Somany

Chairman and Non-Executive Director

Age: 58 years

He has over 37 years of experience in the ceramics and glass industry.

He is the Chairman of the Indian Council of Sanitaryware Manufacturers (INCOSAMA). He has served as the President of the PHD Chamber of Commerce and Industry (PHDCCI) and the President of the International Chamber of Commerce (headquartered

in Paris) India Chapter. He was also the Past-President of FICCI.

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



Mr. Rakesh Kaul

Whole-time Director & CEO

Age: 52 years

He has 26+ years of experience and has worked with leading companies such as Reliance Retail, The Times Group, Onida, and Whirlpool, spanning diverse sectors and industries that include consumer durables, e-commerce, retail, and mobility. He was part of the leadership team that was driving the incredible retail expansion at Reliance Retail for formats like Hypermarkets and Reliance Fresh across the country.

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



Mr. Nand Gopal Khaitan

Independent Director

Age: 71 years

He is an Attorney-At-Law, Advocate and Notary, practising in the Honourable High Court Calcutta and the Honourable Supreme Court of India. He is a Senior Partner of Khaitan & Co., one of the leading firms in India. He is a Committee member of FICCI, the President of the Indian Council of Arbitration, New Delhi and the President of the Bharat Chamber of Commerce, Calcutta, and

an Executive Committee member of two leading schools in Kolkata. He was awarded Bell Chamber's Gold Medal by the Incorporated Law Society, Calcutta High Court, for ranking first in all the Law examinations.



Mr. Ashok Jaipuria
Independent Director
Age: 68 years

He is the Chairman and Managing Director of Cosmo First Ltd. (Formerly known as Cosmo Films Ltd.), an Indian MNC, which is into manufacture and export of Biaxially Oriented Polypropylene (BOPP) films. He is a member of the Board of Governors of the Public Health Foundation of India (PHFI), Gurugram. He was a member of the Board of Governors of the Indian Institute of Technology, Indore and Patna. He was a member of the Executive Committee of the FICCI as well as the Institute of Liver &

Biliary Sciences and The Golf Foundation, a charitable society formed with the objective of helping the underprivileged potential golfers in India. He is the Founder and Trustee of the Cosmo Foundation, an organisation which imparts education to the underprivileged.

He is qualified in Business Administration and Marketing Science.



Mr. Salil Kumar Bhandari
Independent Director
Age: 64 years

He is the founder of BGJC & Associates LLP, which is a well-known audit and management consulting firm based in New Delhi. He has been counselling top management in several areas of strategy implementation, scaling up of business, organisational development, and management and family structures. He brings with him valuable experience and tactical know-how in the areas of devising acquisition strategies, international alliances and JVs and organisational restructuring. He is the Past President of PHD Chamber of Commerce and Industry, served as the head of Society for Integrated Development of Himalayas (SIDH), a former member of

Task Force – Commission on Centre State Relations, Government of India, a former Managing Committee member at ASSOCHAM, Former Member – Advisory Committee, Department of Company Affairs, Government of India. He is currently on the Board of the Indian Institute of Management (IIM), Indore. He is a member of the National Executive Committee of FICCI.

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



Ms. Anisha Motwani
Independent Director
Age: 59 years

She is a brand, digital and innovation expert, and a multi-faceted business leader with 30+ years of experience in diverse industries such as advertising, auto manufacturing, financial and health services.

She is the Founder and Managing Partner of 'Storm the Norm', an innovation company. As an industry expert, she advises the World Bank on the 'Swachh Bharat Programme', the 'National Mission for Clean Ganga', and the programme for 'Solar Energy Rooftop'. She was voted as one of the 50 Most Powerful Women in Indian Business by Business Today,

for three consecutive years since 2009. She has also been recognised amongst the Top 50 Women in Media, Marketing and Advertising by Impact & Colors for four consecutive years since 2011. She has been conferred the 'Women at Work Leadership Award 2011' by Asian Confederation of Business and the 'Brand Builder of the Year' award by NDTV, among many others. She also holds Directorships in various companies.

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

Business Model



Focused on creating value

We have designed a customer-focused business model to consistently accelerate sales growth, improve productivity, and empower our organisation and culture, enabling us to deliver sustained, exceptional performance and enhance the value we create for all our stakeholders.

KEY INPUT RESOURCES



Brands and Products

Across our business segments, we offer a diverse range of innovative and quality products helping us garner a strong market share.



Wide Reach

We continue to improve our relations with our consumers through three distribution channels for sanitaryware and faucets, consumer appliances, and pipes business. Our hyperlocal approach has been pivotal in establishing and driving our strong online presence.



Innovation and Intellectual Capital

- Our R&D team offers future-ready products which blend aesthetics with functionality
- Our research helps us gather insights into customer behaviour and market needs, helping us introduce products that meet customer expectations, and thus help us retain our competitive edge
- We have applied for 32+ patents since the inception of the Consumer Appliances business



Our Workforce

Our strong and diverse team is inspired by and upholds our culture of innovation, which has enabled us to set and achieve our ambitious organisational goals.



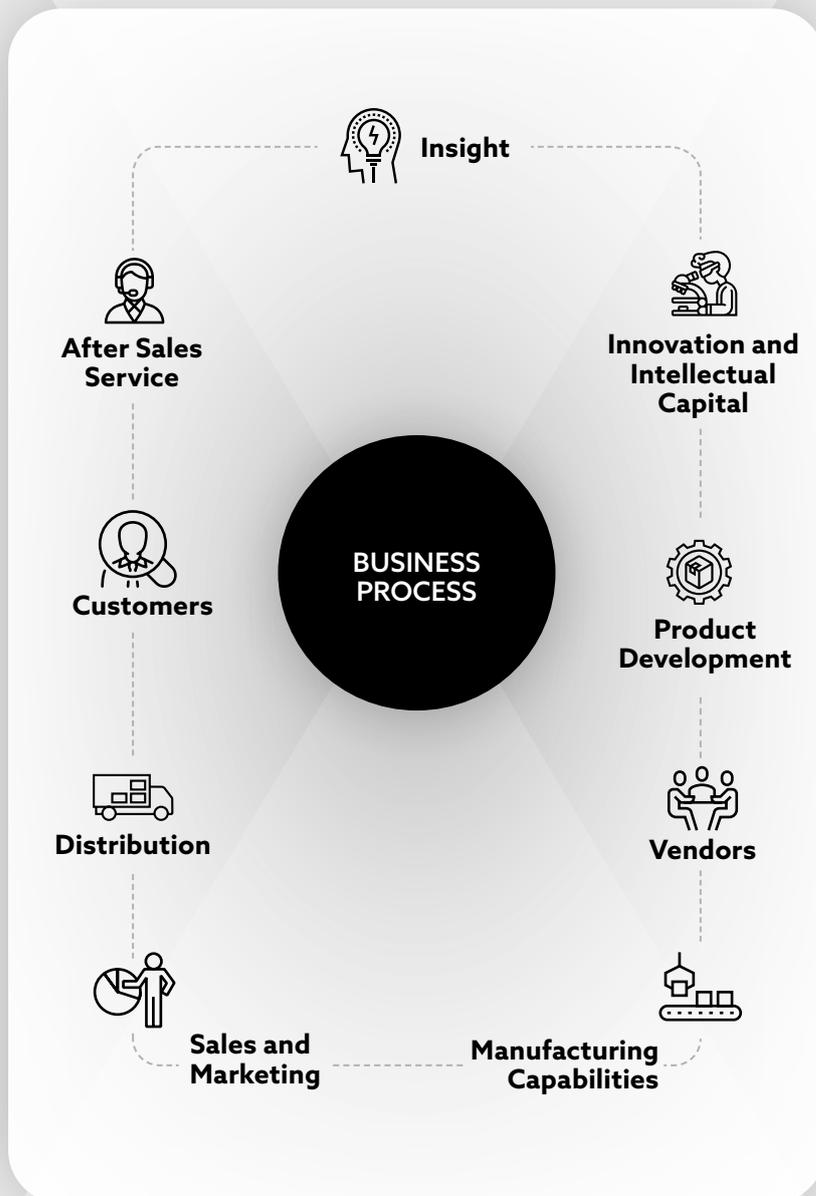
Manufacturing

Our state-of-the-art manufacturing facilities are equipped with world-class technology and equipment.



VALUE CREATED

Our Strategy



Our Governance

Shareholders 

We have generated a revenue of ₹ 2,294 crore, registering a y-o-y increase of ~29% and a y-o-y EBITDA growth of ~27% at ₹ 204 crore. This shows our unwavering commitment towards creating value for our shareholders.

Employees 

Our employees have been integral to our success and we ensure they are exposed to a work environment that helps them grow, both personally and professionally. During the year under review, both Hindware Home Innovation Limited and Hindware Limited were recognised as a **Great Place To Work**.

Customers 

Over the years, we have built a diverse portfolio of products across various categories, with the intention of fulfilling our consumers' present and evolving needs. As we grow, we are venturing into newer categories and segments aligned with our current businesses, enabling us to offer more options to our customers.

Dealer and Distributors 

Establishing long-term partnerships with our dealers and distributors is imperative for our business success. We nurture them and provide periodic trainings to their workforce to inform and empower them.

Suppliers 

We ensure that our suppliers meet social and environmental standards, as we collaborate with them in a fair and equal partnership. Our suppliers, in turn, ensure that our business operations run smoothly, by providing quality products at the right cost and at the right time.

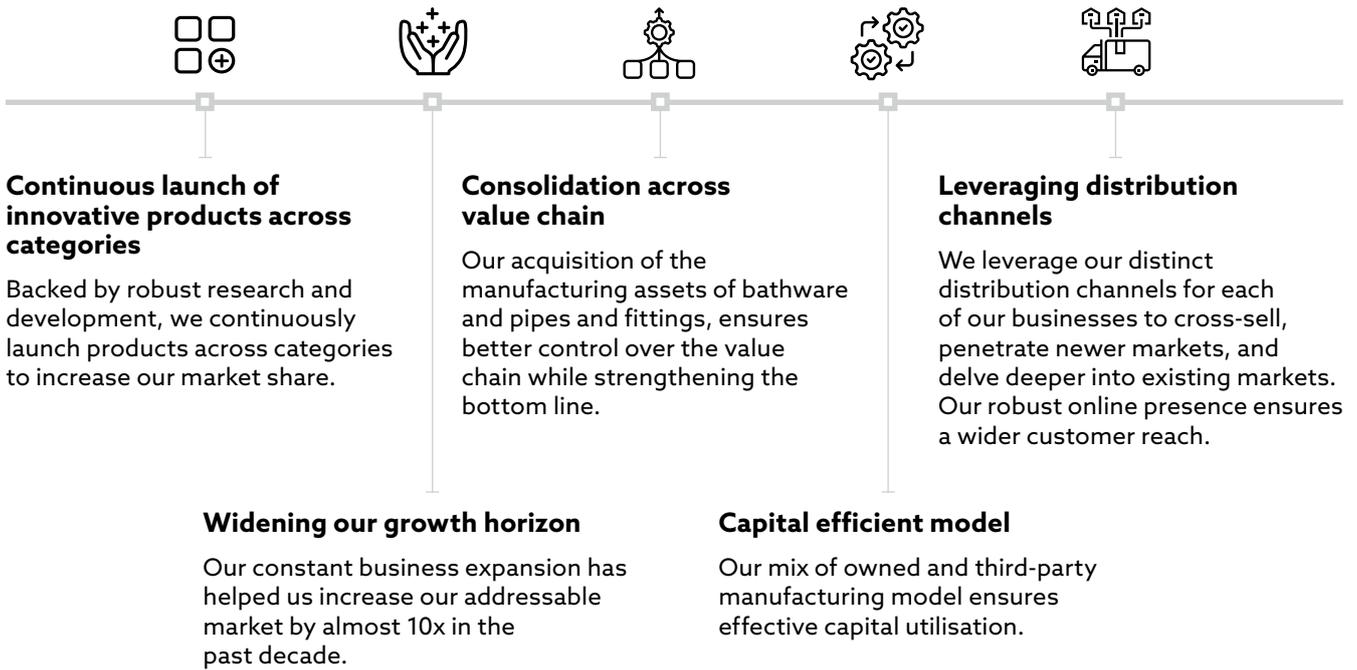
Sustainability 

Through our sustainability efforts, we are ensuring that our business grows responsibly while promoting the well-being of future generations.

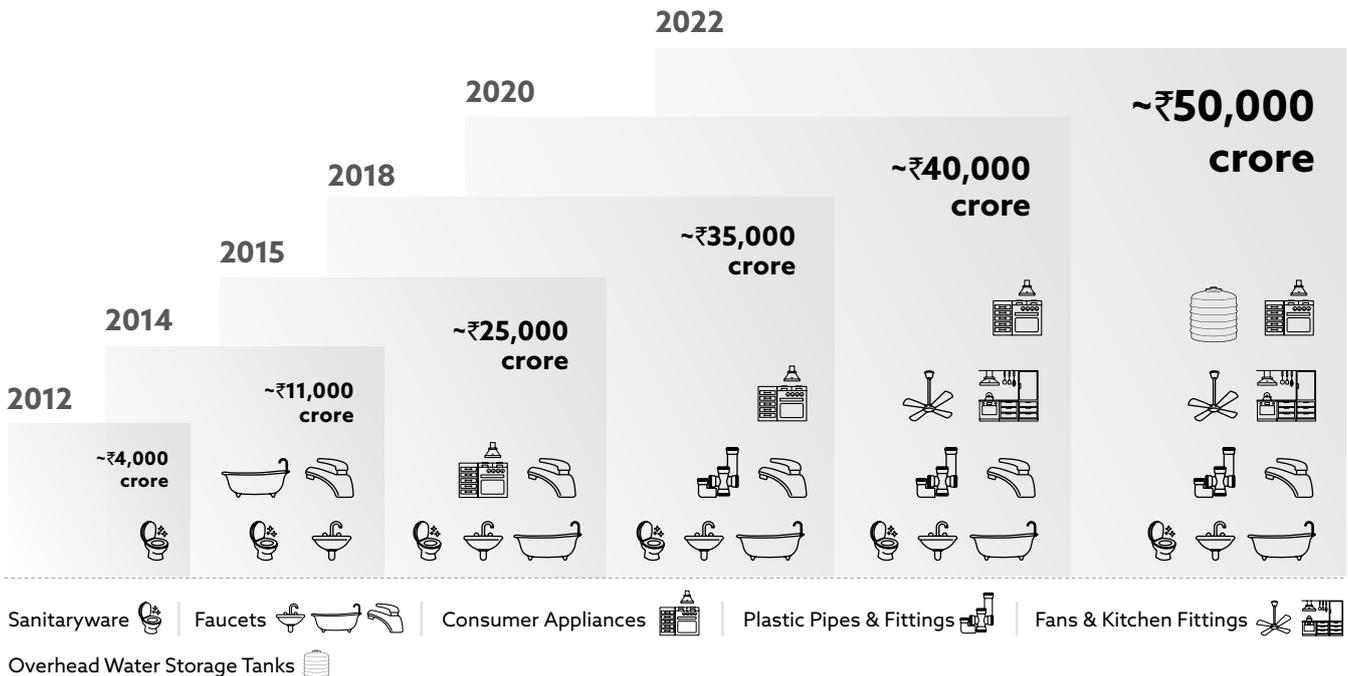
Strategy

Advancing with resilience

Our strategy helps us strengthen our brand recall, continuously innovate and champion cost leadership, successfully driving our stakeholder value.



ADDRESSABLE MARKET SIZE GROWN BY ~10x



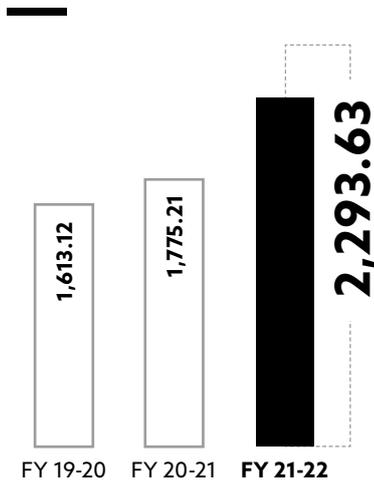


Key Performance Indicators

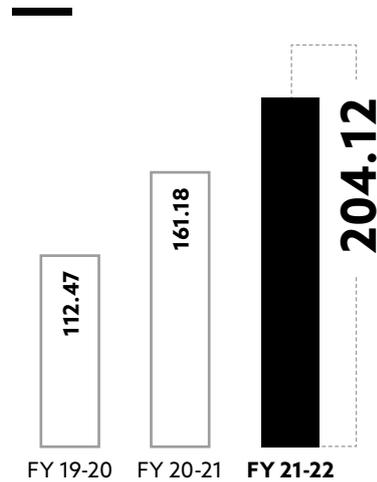
Consistent performance over the years

We have kept up our record of strong revenue growth and profitability, along with strong margins, owing to our expanding consumer base and innovation-led product portfolio.

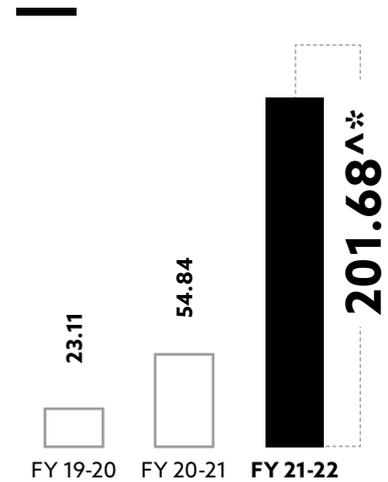
REVENUE FROM OPERATIONS
(₹ in crore)



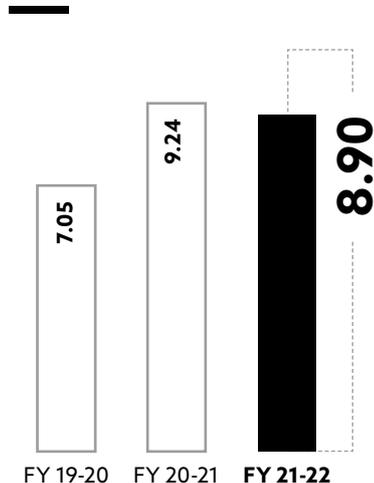
EBITDA
(₹ in crore)



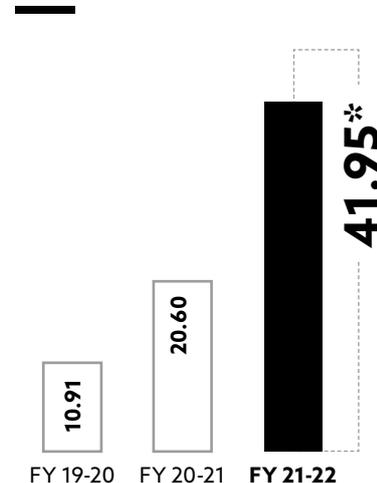
PROFIT AFTER TAX
(₹ in crore)



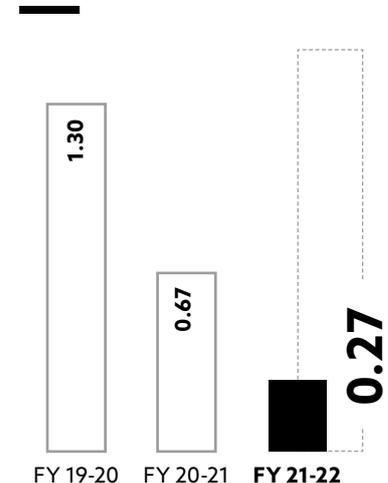
EBITDA MARGIN
(in %)



RETURN ON AVERAGE CAPITAL EMPLOYED (in %)



DEBT-EQUITY RATIO
(in times)



[^]After considering JV results, ^{*}Including exceptional income

Business Review

Consistently outperforming across segments

BUILDING PRODUCTS

We have been offering beautifully designed complete bathroom solutions for decades, giving each bathroom a unique individuality. Our products, available in a variety of categories and price ranges, are renowned for their unrivalled quality and accessibility. We have also launched cutting-edge products in the touchless category sensing market, to stay on top of evolving trends. We are one of the fastest growing companies in the pipes and fittings industry, providing a wide range of products to our clients.

FY 2021-22 SNAPSHOT

₹1,795 crore

Revenue from operations

78%

Share of total revenue





Business Review

BATHWARE PRODUCTS

FY 2021-22 SNAPSHOT

₹1,190 crore

Revenue from operations

52%

Share of total revenue

PRODUCT PORTFOLIO

Sanitaryware

Water closets
Wash basins
Squatting pans
Urinals
Bidets

Faucets

Showers
Bathroom faucets
Kitchen faucets
Sensor faucets
Thermostats

Wellness

Bathtubs
Shower panels
Shower enclosures
Vanity
Whirlpools
Steam generators

Allied Products

Concealed cisterns
Seat covers
PVC cisterns

Tiles

Glazed vitrified
Ceramic
Full-bodied vitrified
Super-slim
Cladding
Parking

MANUFACTURING CAPACITY

● Rajasthan

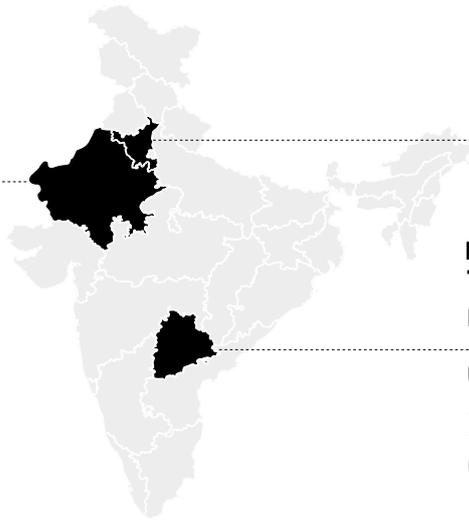
Kaharani

Upto

3.7 million
(pieces per annum)

■ Sanitaryware

● Faucets



■ Haryana

Bahadurgarh

Upto

2 million
(pieces per annum)

■ Telangana

Bibinagar

Upto

2.2 million
(pieces per annum)

BRAND STRATEGY

New Identity for Hindware and Hindware Italian Collection

hindware



During the year, we launched a new identity for Hindware and Hindware Italian Collection. The rebranding reflects a modern outlook with the goal of enhancing our connect with customers of today.

The Hindware logo colour is now black and white, echoing both supremacy and suavity. The new logo is symbolic of the brand's commitment to quality, service,

excellence and innovation. The logo perfectly embodies everything the brand stands for i.e., simplicity, values and a strong statement as a seasoned leader does.

The Hindware Italian Collection logo in white, gold, and black colour represents luxury, triumph, and success, while the word 'Italian' written in artistic calligraphy signifies elegance. The essence of the new logo exudes confidence, boldness and power, and hints of the legacy brand logo Hindware can be observed, denoting a balanced premium tone with the promise of quality and performance.



KEY BRANDS

SANITARYWARE AND FAUCETS



QUEO
european bath lounges

Luxury Brand

Queo is a luxury bathware brand born in the cauldron of European design culture and aesthetics. A pinnacle of luxury, the brand is positioned as 'European Bath Lounges' for discerning consumers who want to fully utilise their spaces with exclusivity.

hindware *italian*
collection

Premium Brand

Since its launch, Hindware Italian Collection is synonymous with the latest trends and has stood out with an innovation-first approach and exclusive designs. To bring that new-age thinking to life and capture the ethos of a modern outlook, the brand also unveiled a new logo for Hindware Italian Collection.



hindware

Mass Brand

Hindware, a household name, has been at the forefront of industry-first designs and innovations. The brand constantly strives to achieve a confluence of understanding of the Indian market, technology and aesthetics in the Hindware Design Studio, to create bathroom products that leave consumers feeling truly rejuvenated.

Hindware's stylish bathroom solutions are crafted using the best materials and industry leading technologies.

Business Review



TILES

Hindware Italian Collection Tiles

A premium range of experiential tiles for the discerning consumer. Our chic tile solutions are crafted using the best materials and cutting-edge technologies. Hindware Italian Tiles include modern and sleek designs inspired by the possibilities of sophistication surrounding us.

We help craft spaces that unite style, substance, and spirit and are imbued with boundless energy, joy, individuality, and flair.

MARQUEE NEW LAUNCHES



Aspiro

The 'Aspiro' series is a range of faucets, mixers and diverters for kitchens and bathrooms, engineered with the highest quality material. Hindware's Aspiro series caters to commercial and household applications, fitting a broader range of needs and budgets of aspirational consumers in Tier 2 and Tier 3 cities.

With this launch, Hindware aims to tap into consumers in the entry-level segment who aspire to have high-quality and superior designed products without excessively stretching their budgets.



Hindware Touch-free EWC

The COVID-19 pandemic gave us the impetus to introduce a new range of touch-free EWCs, which brought together cutting-edge sensor-based technology and the appeal of world-class design.

The touchless flush of the EWC is activated by the wave of the hand over the cistern, ensuring a sanitised, bacteria-free experience. The technology ensures automatic movement of the seat cover, which comes down slowly for a hassle-free operation.



Hues by Hindware Italian Collection

Hues is one of the most vibrant faucet ranges in physical vapor deposition (coloured faucets) in the industry. The new range entails a complete portfolio of faucets called Edge, Element and Avior, available in stunning colors such as Gold, Rose-Gold and Chrome Black. In addition to being aesthetically pleasing, the collection has undergone rigorous quality testing to guarantee that the products are splash proof, robust and have a dazzling finish.

With the launch of 'Hues' colored faucet collection, the Company aims to expand its reach in the PVD category, a growing market segment with increasing consumer demand for luxury bathrooms.

MARKETING AND BRANDING INITIATIVES

We are setting a higher standard of excellence in advertising quality, with a sharp focus on brand performance, communicating the brand's definite superiority in creating awareness and brand recall.

Despite an uncertain year, we continued to invest in brand building and significantly leveraged digital and social media to maintain active communication with consumers, dealers and channel partners. We also undertook targeted initiatives with a deep market insight to deepen our connect with our stakeholders and influencers.

NEW BRAND AMBASSADOR

The Hindware Italian Collection brand signed on Tamanna Bhatia as the brand endorser to build a stronger connect with consumers across India, particularly in the southern markets. She personifies the elegance and style proposition of our products and brings alive the extravagance of the brand with her 'nothing but the best attitude'.



On being named Hindware's Brand ambassador, she quoted:

“ I am extremely happy to be associated with India's leading bathware brand and resonate deeply with the Company's vision. Much to my taste, the Hindware collection is inspired by confidence and rich designs. I truly relate to the brand and look forward to a long and fulfilling association ahead.”

Business Review

BRAND CAMPAIGNS

Thoughtful is Beautiful

The second leg of our 'Thoughtful is beautiful' campaign for Hindware Italian Collection featured a series of multilingual films and was built on the premise of the earlier campaign—bringing together design and functionality, to offer superior technological solutions that help ease the consumer's life.

The campaign touched the right chord with the audience. After its launch, we witnessed an unprecedented rise in brand awareness across our trade partners and consumers alike.



Hygiene Partner

We successfully collaborated with the IPL by becoming the official 'Hygiene Partner' of Punjab Kings. This association generated an extremely high media buzz. We leveraged our association by being the branding partner of the back of the player's cap and by creating and placing on-ground assets in the form of LED wall screens.

Touchfree is Carefree

We launched our 'Touchfree is Carefree' campaign on social media platforms showcasing Hindware's touch-free range of bath products which are a perfect blend of elegance, comfort, and safety. To help the juggernaut maintain its stronghold on the Indian consumer and corroborate the fact that Hindware is a brand that serves as a one-stop shop for every bathroom need, the 'Touchfree is Carefree' campaign clearly depicted technology that differentiates us from the others.



In 10 districts of West Bengal including Orissa, we carried out an extensive outdoor advertising campaign for the category to help consumers upgrade to EWC toilets. There were 75+ outlets covered & products showcased, including the EWC Slick Combo of WC+Cistern.

PURPOSE LED PROGRAMME

We launched our purpose-led initiative 'Build a Toilet, Build her Future' on World Toilet Day. The initiative focuses on encouraging the girl child to continue schooling by providing access to adequate sanitation infrastructure at schools. Under this programme, we will be constructing 50+ toilets across Gurugram, Sonipat, Udaipur and Bahadurgarh to send lakhs of girls back to school. We collaborated with Ma My Anchor, an NGO, to ensure on-ground execution and we truly hope that our efforts will enable and empower young girls in these villages. We will continue this journey by tying up with many more schools across the country to spread hygiene empowerment.

Hindware launched this campaign in 2020 in Bahadurgarh involving the architect community to design economical yet functional toilets.

MISSING FROM SCHOOL



NAME: RAJJO

AGE: 12

FAVOURITE SUBJECT: HISTORY

HELP US BRING RAJJO BACK TO SCHOOL BY BUILDING A HYGIENIC TOILET FOR HER.



Business Review

INFLUENCER PROGRAMMES



Plumber Loyalty Programme

Plumbers and those associated with plumbing are a critical stakeholder group for us, as they play an important part in influencing purchase decisions. We are in the final stages of launching the Hindware Plumber No. 1 App where the enrolled plumbers can reap the benefits of associating with Brand Hindware. During the past year, we connected with 60,000+ plumbers through formal and informal engagement initiatives.

Given the need for social distancing conventions, we invited a select number of plumbers to a meet-up at our shops and dealers' retail locations. Between June 2021-March 2022, following the lifting of state-wide lockdowns, we organised 727+ selected-scale plumber meetings across the country. We built a database on the 10,600+ plumbers who were invited and attended these meetings.

Dealer Connect Programme



We launched an exclusive Hindware Privilege Club (HPC) Programme for our dealers to create a more straightforward and beneficial payout structure, ensuring higher earnings for the dealers. The complete range of Hindware was segmentalised into several slabs based on their MRPs, and dealers received points basis these slabs. This new incentive programme benefited both the current and new dealers. The scheme also included a trip to Europe for ace dealers.

Architect Connect Programme



Following the success of 'The Next Architect' initiative, wherein we interacted with renowned architects such as Amy Brar, Behzad Kharas among others, we found it essential to share information on our brands on a regular basis. Thus, we launched an app called Club Maestro, which we use to interact with leading architects and provide them with information on our new product launches and campaigns.

DIGITAL MARKETING

With increased emphasis on digitalisation, we are ensuring that our brands communicate with customers through social media, websites, emails, and other channels at all points of their consideration and purchase journey, in order to maximise engagement.

Despite an uncertain year, Hindware continued to invest in brand building and significantly increased its spending on digital and social media platforms. We accelerated our use of these virtual platforms, and three of our highly successful campaigns - 'Thoughtful is beautiful' on World Toilet Day, 'Touchfree is Carefree' and 'IPL Collaboration with Punjab Kings' were launched with a digital-first narrative on social

media platforms. For the first time, digital-only approach was taken for the launch of the Aspiro range of affordable faucets, which became a huge success.

Under 'Morning Room Design and Décor' series, we use Hindware products in varied bathroom settings for the customers to envision how their bathroom products will come alive in an actual bathroom. For this, we launched a social media campaign, where we explored different formats of bathroom renditions in the forms of reels, videos, blogs, and carousel.

hindware
ITALIAN COLLECTION
Thoughtful is beautiful

Diwali is here!
Time to decorate the most visited space of your home is here too!

Participate in
#LightUpYourPowderRoom
contest & stand a chance to win
exciting **Amazon vouchers**
Winners will be announced
on 10th November 2021

SEND YOUR ENTRIES NOW!
Visit our social media pages to participate!

Catch
RASHMI DESAI
on Instagram on 3rd Nov

All you need to do is:
• DM us a picture of your decorated powder room on our Instagram or Facebook handle.
• Brownie points to those who will put up these pictures on their Instagram or Facebook story.
• Tag us and use hashtag #LightUpYourPowderRoom & #WeLoveHindware.

5.5 million+

Audience reached through the
#LightUpYourPowderRoom campaign

To encourage user-generated content on our social media accounts throughout the festive period around Diwali, we ran the engagement campaign **#LightUpYourPowderRoom**. The programme invited participants to decorate their powder rooms using ideas from our products and designs. To increase exposure and connect with a larger audience, we worked with TV celebrity Rashmi Desai, and reached out to 5.5 million+ people.

For digital, we tweaked our approach from campaign-based marketing to the 'Always On' strategy. This helped us to generate consistent awareness and gain greater brand recall. During launches, we initiated burst campaigns that helped us attain an all-around presence on digital platforms and garner greater visibility for the brand.

Business Review

ONLINE REPUTATION MANAGEMENT

We improved our customer experience, online grievance redressal, and brand awareness through consistent social and online communication, which included listening and response management, and reducing the first response TAT. Further, to enhance Online Reputation Management (ORM) significantly for the brands, we implemented tools to help us measure brand insights, customer behaviour, competitor insights, and performance analytics across all key digital channels to give us empowering business insights on a unified CX management platform.

Key initiatives in FY 2021-22

- We created properties to connect with our key stakeholders such as architects, influencers, builders and dealers to engage with them and generate User Generated Content (UGC) across the digital medium, thereby reinforcing trust in the brand
- Used WhatsApp for business to create a delightful experience for increasing brand awareness, product information requests and service-related queries
- Implemented Quotation Management Systems to empower the sales team to generate digital leads
- Landing pages for trade partners to increase their reach and generate leads
- Leveraged on-page and off-page SEO to increase organic traffic to the website
- Hyperlocal marketing activities to generate leads
- Revamped the brand websites to reflect modern day UI and enhance customer experience
- Google My Business (GMB) listing of Brand Stores was undertaken to increase visibility and reach

AWARDS

			
<p>ET Architecture & Design, Best Brand in Bath & Sanitation</p>	<p>E4M HMA Best Experiential Marketing Award</p>	<p>CIA World Construction and Infra Awards, Best Company in CSR Activity</p>	<p>Thoughtful is Beautiful Named Campaign of the Year - CMO Asia</p>

EXPERIENTIAL STORES



Based on the exclusive display area, retail location, and business size, Hindware stores are available in three formats – Hindware Premier, Hindware Galleria and Hindware Boutique. We introduced 100 new brand stores in FY 2021-22. The shops display our range of products, including Queo, Hindware Italian Collection, and products as well as faucets, showers, wash basins, chromo showers, and wash closets.

Motivated by the notion of timeless art which inspires the design of these stores, we have integrated several displays with centrally managed videos and communication movies, to give customers an exceptional buying experience.



KEY INSTITUTIONAL CLIENTS

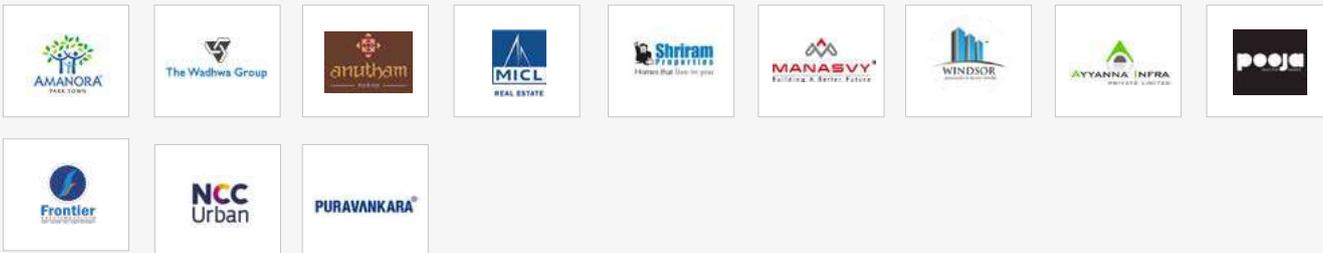
Commercial



Hospitality



Real estate



Hospitals



Others



PREMIUM AND SUPER PREMIUM TILES

Hindware Italian Collection tiles are a perfect amalgamation of thoughtful features and beautiful designs. We have a diversified Hindware Italian Collection with premium segment tiles which is a careful selection of minimal and expressive designs, allowing consumers to express who they are and how they wish for the world to see them.

Available in a variety of sizes, we have tiles in 10+ categories. Our designs range from classic to contemporary, and offer a multitude of finishes like matte, polished, dazzle, high gloss, satin, and rustic to complement any design aesthetic.

Our 12+ brand stores help us in reaching out to our discerning customers.



Business Review

PLASTIC PIPES AND FITTINGS



TRUFLO BY HINDWARE: PLASTIC PIPES AND FITTINGS BRAND

Through TRUFLO, we offer NSF certified, CPVC pipes for hot and cold-water plumbing applications, along with lead-free UPVC pipes, SWR pipes and PVC pipes for potable water. We have introduced the overhead water storage tanks and column pipes which have been exceptionally well received by the market.

FY 2021-22 SNAPSHOT

₹606 crore

Revenue from operations

26%

Share of total revenue

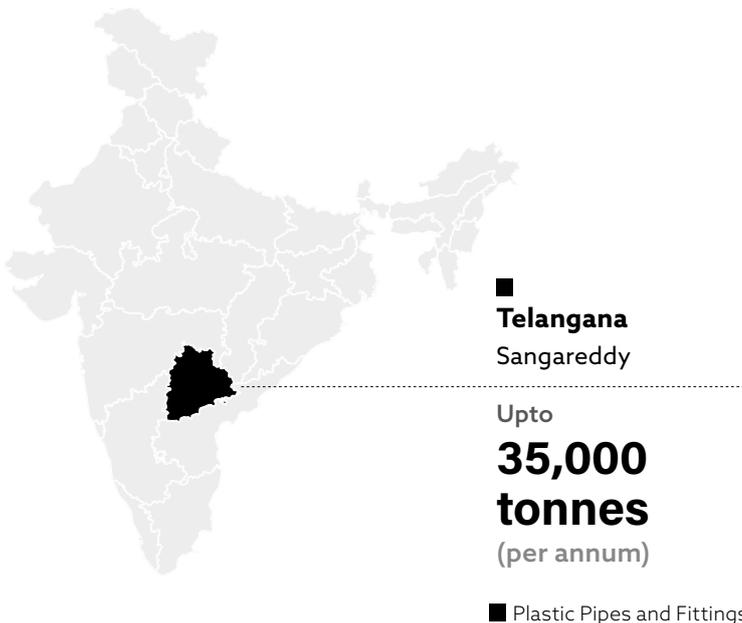
The Indian pipes and fittings industry is undergoing a shift towards PVC pipes from galvanised iron pipes. Apart from the demand created by new constructions, the replacement market has also created a big opportunity for this segment. The quality and performance of our products have ensured that we are the fastest growing brand in this segment and within a short duration, we are already outperforming the sector.

We have a wide portfolio of 1,200+ SKUs of NSF certified, CPVC pipes for hot and cold water plumbing applications, along with lead-free UPVC pipes, SWR pipes, and PVC pipes for potable water column pipes and overhead water storage tanks. Our strategic partnership with Sekisui Chemicals for CPCV resins has given us ready access to raw materials and helped us maintain an uninterrupted supply of the products, despite the supply chain constraints induced by the pandemic.

PRODUCT PORTFOLIO

CPVC	UPVC	PVC	SWR
Column pipes	Overhead water storage tanks		

MANUFACTURING CAPACITY





In FY 2022-23, we announced an investment of ₹180 crore to set up a new state-of-the-art manufacturing plant at Uttarakhand for plastic pipes, with an initial capacity of 12,500 MT per annum. The new plant will help us serve the requirements of a growing customer base, optimise lead-time, and consistently meet future demand in Northern India.

During FY 2020-21, we proposed to invest ₹100 crore in establishing one more production unit next to the existing Sangareddy plant, to augment the production capacity from the current 35,000 MT to 48,000 MT per annum and the work is progressing as per schedule.

Together with the capacity expansion of our Telangana plants, we are exploring newer categories of pipes that are more durable and provide solutions for multiple applications.

20,000+

Retailer network

270+

Retailer network



STRENGTHS

Expansive product portfolio

Our wide range of plumbing solutions is used in the transportation of potable water, distribution lines, sewerage/drainage lines, waste disposal, borewells, irrigation, and sprinkler systems.

One of the keys to our success has been our expansive product portfolio that has given customers a wide choice of products from a trusted brand. With our 1,200+ SKUs, we are a one-stop-shop that meets several requirements of a customer and has helped us position ourselves as a holistic solution provider.

Product quality

Our state-of-the-art manufacturing, quality raw materials, and the extensive testing of our products, ensure that we always deliver a top performance. We are also continuously investing to improve product quality with the aim to emerge as a centre of manufacturing excellence.

Continuous engagement with influencer community

Since our inception, we have continuously engaged with plumbing consultants and plumbers as we understand the role played by these influencers to generate customer confidence in our products. We also invite them to our manufacturing plant so they understand our production process, quality of raw materials and finished products. Besides, we partner with the Indian Plumbing Skill Council (IPSC) to train and nurture skills among the plumbing fraternity.

During the year, we honoured winners of national plumbing contests under the National Skill Development Corporation (NSDC) programme. These, along with logistics support, have helped us forge a strong relationship with the plumber community, accelerating the offtake of our products.

Business Review

CONSUMER APPLIANCES

Our smart appliances, now under the brand Hindware Smart Appliances, offer a compelling proposition – smart, futuristic, and a truly human-first yet tech-led brand. Our purpose is to be human-first, to bring joy in our consumers’ life.

FY 2021-22 SNAPSHOT

₹431 crore

Revenue from operations

19%

Share of total revenue

PRODUCT PORTFOLIO

hindware
smart appliances

Kitchen Appliances	Fans
Air Coolers	Water Heaters
Water Purifiers	Room Heaters
Kitchen and Furniture Fittings	





Business Review

HINDWARE SMART APPLIANCES

PRODUCT CATEGORIES

Kitchen Appliances

Designed for modern-day homes, the kitchen ensemble caters to the diverse kitchen needs of consumers. The product portfolio includes chimneys, cooking range, food waste disposers, built-in microwaves, food sanitisers, built-in ovens, built-in hobs, cooktops, dishwashers, water purifiers and kitchen sinks.

Fans

Our range of fans are aesthetically designed, custom crafted for modern Indian homes and are available in ceiling, exhaust and portable categories. The portable range includes table, pedestal and wall fans.

Air Coolers

Our range offers Desert, Personal, Window and Tower coolers, with capacities ranging from 12 to 100 litres. It includes exciting features such as first of its kind changeable color panels, foldable coolers, IOT enabled air coolers, etc. All products are equipped with advanced features that guarantee comfort for the customer while delivering on the look factor.

Water Heaters

Our range of Storage, Instant, Gas, and Heat pump Water Heaters are enabled with advanced technologies such as Exclusive O'Pro Protection and Titanium Core Shield, that assure consumers safety, durability and fresh hot water. They are available in a wide range, starting from 1 litre up to 50 litres. Heat Pump Water Heaters are available in 150 litres and 200 litres size.

Water Purifiers

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

Room Heaters

We ventured into the Room Heaters segment in FY 2021-22, and are present in OFRs, Halogen, Quartz, Heat Convector and LPG categories.



Kitchen and Furniture Fittings

Under our partnership with FGV, a leading Italian furniture fittings and solutions brand, we offer kitchen and furniture fittings products such as MS Slide-On, Integrated 2D/3D and ESH One way 3D Soft Close Hinge, Corner Pie, Wide Angle and Blind Hinge, Comfy Normal and Silent Telescopic Channel, Excel Under mounted drawer Channels, UniPlus Drawer System and Aerolift Liftups.

Engineered to meet the demands of the modern kitchen, the products offer Italian design and the reliability of the Hindware brand.

MARQUEE NEW LAUNCHES

KITCHEN APPLIANCES

Chimneys



Florence BLDC

It comes equipped with an innovative boomerang design which ensures quick smoke exhaust and prevents the smoke from escaping through the sides. Its filter-less technology gives optimum suction and the motion sensor feature enables the chimneys to be switched on with just the a wave of a hand. It is also equipped with our patented MaxX Silence Technology which produces 32% less noise when compared to conventional Auto-clean Kitchen Chimneys.



Onyx

It comes equipped with Smart Thermal Auto-clean feature. After 30 working hours, it blinks in red colour which is an indication for the customer to switch off the chimney so it can auto clean, and the cleaning cycle lasts for 12 minutes. Additionally, the 'baffle filter', made from stainless steel, effectively pushes the oil and residue to collect inside the baffle. This chimney can be controlled by a remote, thus offering convenience to customers.



Serena Plus

Our range of chimneys come equipped with a motion sensor for ease of use. They have a turbo mode which can be used during deep frying in the kitchen, to suck in the heavy smoke. Additionally efficient thermal auto clean, energy-efficient LED lamps and maximum suction features make it a must in modern kitchens.

Cooktops



Dario Series

This range of cooktops has been designed for the discerning home and comes with powerful features such as a super big (jumbo) burner, ergonomic metallic knob, cast iron finish pan support and a premium titanium finish body for the ultimate cooking experience.



Alverio DPLX Series

This range of cooktops is high on aesthetics and low on maintenance. The cooktop comes with a variety of powerful burners for the ultimate versatility and has advanced cooking technology for maximum power and precision. From the flame guard design pan support to the forged brass burner and more, this range is set to create new standards in cooking performance for serious home cooks.

Business Review

Air Coolers



Powerstorm Series

This range of air coolers comes equipped with features such as honeycomb pads along with Bacto-Shield technology, 4-way air deflection, a powerful motor that offers the highest air delivery of 5500 m³/hr, and come with an exclusive 5 leaf 18" aluminum blade design, a one-of-a-kind in the industry.



Spade 54L

Keeping in mind the importance of a clean environment, we launched the Spade 54L desert coolers, with complete shut louvers. This stops insects from entering the louvers and breeding inside. The system also prevents dust from entering during the off-season and thus helps maintain hygiene. The motorised vertical louver movement ensures even air distribution. We have also ensured that the coolers can run on inverters in case there is a power cut.

POWERSTORM SERIES

Industry first ~18-inch large aluminium fan blades in 5 Leaf ensures powerful air delivery and strong air throw for large spaces.

Ceiling Fans

We have strengthened our portfolio with 200+ SKUs under ceiling, exhaust and portable fans during the year.



Delito and Juvo

These super-premium fan models come equipped with easy-to-clean dust resistant blades, a high-performance motor, and double ball-bearing, for smooth operation and high-delivery operation. Their minimalistic design in an electroplated antique finish complements the interiors of a modern household.



KITCHEN AND FITTINGS CATEGORY



Unilux Drawer System

Unilux is the new benchmark in affordable high quality and high performance double wall drawer technology. It is a complete range with products for all the usual applications, offering clever solutions, Italian design and elegance.

Corner Hinge Ranges

Hinges are still the most effective way of articulating a cabinet door. We added three range of products under the corner hinges category i.e., PIE, Blind and Wide-Angle Hinge. They provide consumers with a diverse set of customisations based on their preferences.

Integrated 3D Hinge

Our integrated hinges are our latest solution for dampening doors. Our 3D adjustments enable a rapid and precise installation, ensuring a smooth alignment of the door.

BRAND CAMPAIGNS

We are developing deeper, more relevant consumer insights and leveraging them to create impactful brand experiences through our marketing communications. These campaigns have a sharp focus on digital and social media, and on shopper marketing programmes that customise communications for different retail outlets and shoppers. We are driving engagement on our e-commerce platforms to create a truly interactive and omnichannel experience.

Chimney 'MaxX Silence' Campaign

The campaign highlighted the importance of silence by showcasing Hindware chimney's trademark 'MaxX Silence' technology feature, which produces less noise when compared to conventional auto-clean chimneys. The campaign was launched across several TV Channels including Sony Set Max, Colors, Aaj Tak, etc. The video was broadcast in multiple regional languages such as Hindi, Marathi, Bengali, Kannada, Tamil, Telugu, Malayalam, and Oriya, followed by digital activations to build awareness. The campaign successfully generated strong consumer interest.

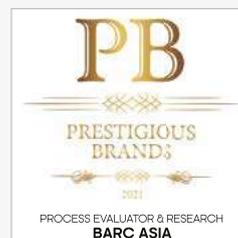


AWARDS



Year 2022 - 'The Extraordinaire Brand' Hindware Appliances 2020-22

Hindware Appliances participated in the Nexbrand's 5th Annual Brand Vision Summit and Awards 2020-22. The Summit honoured the most influential people and brands from across industries who have proved their mettle time and again and have emerged as 'The Extraordinaire'.



Year 2021 - The Prestigious Brands of India 2021

Conferred by Herald Global & BARC Asia (Brand Advertising Research & Consulting Private Limited), the Prestigious Brands of India 2021 is an acknowledgement of a brand's value, strength and character showcased towards transforming the Indian economy.

Business Review



RESEARCH AND INNOVATION

We continue to make substantial investments in our R&D infrastructure to drive product innovation and our innovation capability gives us a market edge. We have also received recognition from the Government of India for our in-house R&D activities.

Our passionate R&D employees, strong expertise in science and technology, increased speed and efficiency, and our entrepreneurial and collaborative culture has helped us to apply for 32+ patents since our inception, including the four patents we applied for in FY 2021-22. This attests to our commitment to constantly evolve on the wings of innovation.

We have upgraded our R&D infrastructure and added noise chamber, advanced power supply and air cooler performance chamber to further enhance our expertise in developing advanced technologies. We have maintained the same innovation speed as before despite challenges due to the pandemic.

Highlights:

- To resolve a long-standing consumer pain point, we came up with the 'easy clean technology' feature for our chimneys. This has elevated consumer convenience, as it is no longer necessary to clean the chimney manually after use. We have integrated a 4D filter with our chimneys that ensure better grease absorption. Their anti-grease coating also makes it comparatively easier to clean the filters than before.

- Our Maxx Silence technology has been extremely successful. In FY 2021-22, our sales contribution from this technology increased by ~11%. To capitalise on this success, we expanded our portfolio and now have one of the largest ranges of silent chimneys in India.
- Given the increasing shift towards digital, we introduced Google Home voice integration in our products in Q1 FY22. All our products are Alexa enabled, and now consumers can use the products through voice command as well.
- We expanded our Smart Appliances range and launched our first Smart Air Cooler Spectra iPro in Q1 FY22.
- We expanded the range of water heater smart appliances with the introduction of Elicio iPro and Cristalo iPro models. We developed a break through innovation that helps us convert any water heater into smart water heater in no time and at a minimal cost as well. This is helping us take the technology to masses.

Innovation at Hindware Home Innovation Limited – whether with our foray into new categories or by innovating for existing brands – is frequently driven by evolving customer preferences.

PARTNERING FOR PROGRESS



Hintastica Private Limited (HPL): Joint Venture with Groupe Atlantic

Our 50:50 joint venture with Groupe Atlantic (<https://www.groupe-atlantic.fr/en/>), a France based €2.2 billion company with a dominant presence in manufacturing, developing, and distributing eco-friendly heating products and hot water solutions, under which we are setting up a state-of-the-art manufacturing plant in Telangana, is on track.

HPL will leverage Hindware Home Innovation Limited's extensive marketing and distribution resources and Groupe Atlantic's established pedigree in manufacturing and R&D expertise. The manufacturing plant will enable us to boost output, scale, and productivity. The JV will also aid in extending the product line as HPL will market and distribute Groupe Atlantic-related products in India and the SAARC region.

RETAIL

We provide home furniture and furnishings under our brand EVOK. It is a one-stop-shop for consumers and provides a plethora of modern home furnishing options to architects and interior designers. Our diverse portfolio is curated keeping in mind the needs and aspirations of our customers.



FY 2021-22 SNAPSHOT

₹67 crore

Revenue from operations

3%

Share of total revenue

Our product portfolio includes bedroom sets, sofas, dining tables, recliners, loungers, centre tables, entertainment units, study tables, home décor, home furnishing, modular kitchens, wardrobes and outdoor furniture. We have optimised our operating model, and changed our strategy. This has led to our decision of shutting down eight of our 10 retail furniture stores over the years, and the adoption of a leaner, go-to-market strategy. Additionally, we are developing a strong franchise network that will drive growth in this segment. We are also focusing on franchise-based large format stores. We have two Company-owned display centres and a growing chain of franchise stores.

Our web portal www.evok.in has a wide reach, adding to our presence in leading e-commerce platforms such as Pepperfry, Amazon, etc. helping us increase sales. In the Indian furniture industry, we are the first Indian company to introduce a hyperlocal platform (to link franchisee stores to an online store). We are providing a selection of 5,000+ products through the platform, covering 17,000+ pin codes.

30+

Franchise stores at the end of FY 2021-22

PRODUCT PORTFOLIO

Solid Wood Furniture

Wall Fashion

Engineered Wood Furniture

Decorative Lightings

Soft Furnishings

Modular Kitchens and Wardrobes

Home Décor and Accessories

Board of Directors : Hindware Limited

Driven by experience



Mr. Sandip Somany
Chairman and Managing Director
Age: 58 years

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



Mr. Girdhari Lal Sultania
Non-Executive
Non-Independent Director
Age: 76 years

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



Mr. Salil Kumar Bhandari
Independent Director
Age: 64 years

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



Mr. Ashok Jaipuria
Independent Director
Age: 68 years

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



Dr. Rainer Siegfried Simon
Independent Director
Age: 72 years

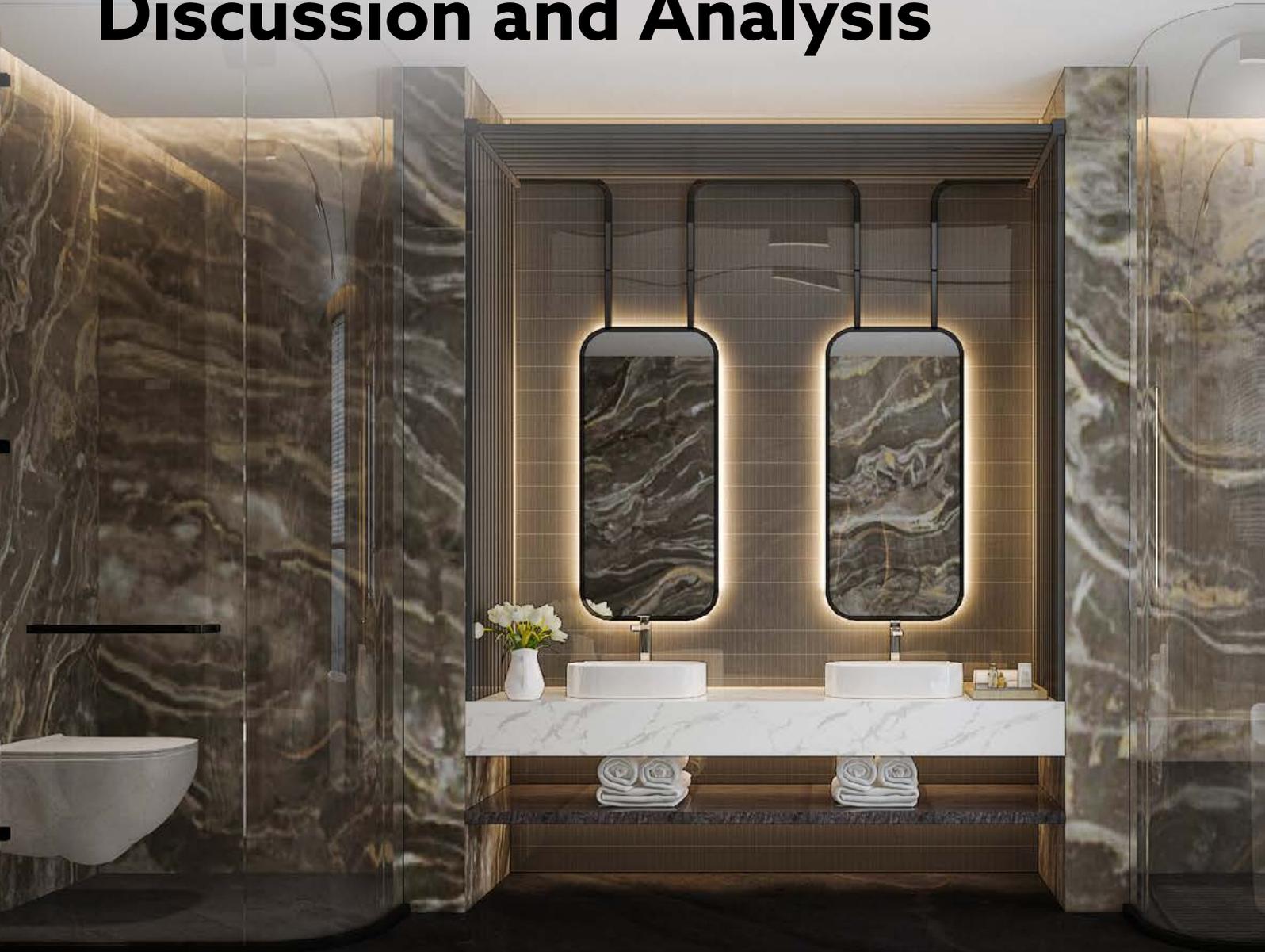
- German citizen and professional with 35 years of experience in international building products businesses
- Doctorate and has a degree in Business Administration from St. Gallen University, Switzerland
- Owner of Birch Court GmbH since 2005
- Former President and CEO of Sanitec International AG (Europe's largest sanitaryware manufacturer)
- Held Senior Management positions at Friedrich Grohe AG (largest player in faucet business in the world), Continental AG and Keiper-Recaro and others
- Member of the Board, Lecico Egypt S.A.E.



Ms. Alpana Parida
Independent Director
Age: 59 years

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

Management Discussion and Analysis



Economic Environment

Global

Despite the far-reaching impact of the pandemic, the global economy witnessed a robust demand-driven recovery on the back of extensive vaccination rollout and strong policy support across countries. Latest reports from the World Health Organisation (WHO) show that more than 11.6 billion doses have been administered across 184 countries. In its April 2022 report, the International Monetary Fund estimated global growth at 6.1% in 2021 against a negative growth of 3.1% in 2020. Global trade has rebounded with the resurgence of global economic activity. The cumulative value of global trade reached a record ~ US\$ 28.5 trillion

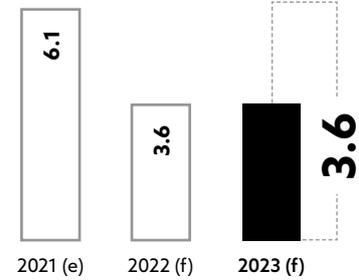
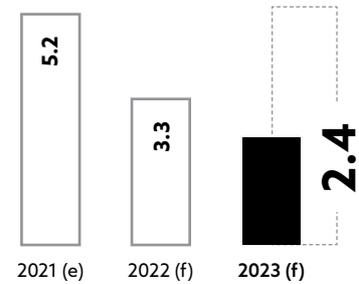
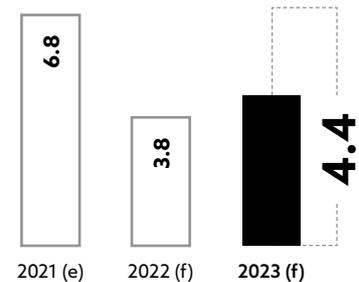
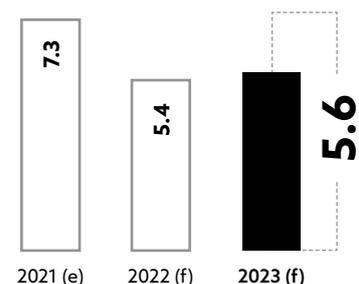
in 2021, registering a growth of about 25% over the 2020 level and ~13% over the pre-pandemic level of 2019.

The global economy faces downside risks from the spread of new Covid-19 variants and continuing supply chain disruptions, which have led to broad-based inflation and a sharp spike in energy prices.

In addition to this, the Russia-Ukraine war has triggered global ripple effects through multiple channels, including commodity markets, trade, financial flows, displaced people, and market confidence.

**Outlook**

The IMF forecasts world output growth to moderate to 3.6% in 2022 and 2023. The key risks to growth are rising geopolitical tensions, monetary policy tightening by major central banks, the possible emergence of new Covid-19 variants, supply-side concerns, labour constraints, and higher commodity prices.

Region-wise growth estimates (%)**WORLD OUTPUT****ADVANCED ECONOMIES****EMERGING MARKET AND DEVELOPING ECONOMIES****EMERGING AND DEVELOPING ASIA**

[Source World Economic Outlook, April 2022]
(e) estimated, (f) forecast

Management Discussion and Analysis

India

The financial year began on a positive note in India, with the massive rollout of the vaccination programme and resurgent consumer demand. Although the second and subsequent third wave of the pandemic did play spoiler for a short while, continued policy support from the government, an accommodative stance of the central bank, and sustained vaccination drive helped the economic recovery. The second advance estimate of the National Statistical Office (NSO) puts GDP growth for FY 2021-22 at 8.9% compared to a contraction of 6.6% in FY 2020-21.

The surge in energy, food, non-food commodities and input prices, supply constraints, disruption of global supply chains and rising freight costs across the globe stoked inflation in India.

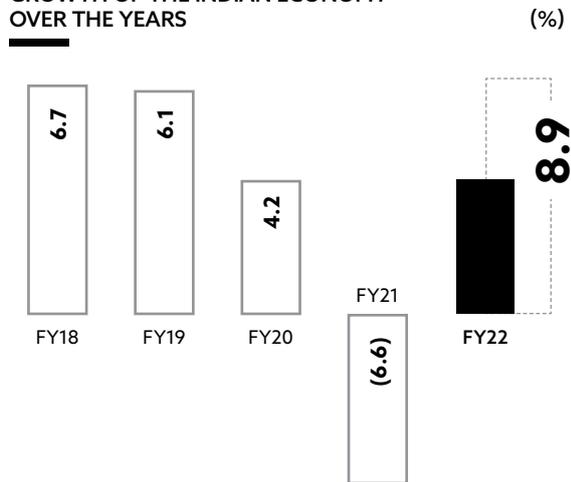
Foreign exchange reserves in India, as of 31 March 2022, stood at US\$ 607.3 billion, indicating a cushion for unforeseen external shocks. The gross value added (GVA) of industry (including mining and construction) is estimated to have risen to 11.8% in FY 2021-22 after a contraction of 7% from the previous fiscal. The services sector grew at an estimated 8.2% in FY 2021-22 against a degrowth of 8.4% in FY 2020-21.

Combined inflation was 5.20% in FY 2021-2022 (April-December) against 6.6% in FY 2020-21. Inflation stood at 6.07% y-o-y in February 2022, breaching the targeted tolerance band of the RBI. Supply-side disruptions caused by the pandemic, leading to rising input costs and a spike in fuel prices, are causing inflationary pressures on the economy. The RBI believes that inflation beyond 6% will not sustain, given India's strong economic fundamentals. In a

recent move, it has also raised the repo rate in order to shrink liquidity in the market and control inflation.

The gross revenue collection from the Goods and Services Tax (GST) stood at ₹1.42 lakh crore in March 2022. The rising collection, along with anti-evasion measures to stem GST leakages and a host of economic reforms announced by the government, augur well for the economy. In the Union Budget 2022-23, the government announced a robust increase of CAPEX. This will fund the massive push for infrastructure development and housing, with both expected to create a multiplier effect on the economy. KPMG estimates that the Indian economy will report a growth of 7.7% in FY 2022-23, unless the growth is moderated by rising geopolitical tensions and high energy prices.

GROWTH OF THE INDIAN ECONOMY OVER THE YEARS





MACRO DEMAND DRIVERS



Strong Fundamentals

India's economy has strong fundamentals which are likely to help it overcome short-term turbulence. Supportive policies and schemes such as the Production-linked Incentive (PLI) scheme and the government's push for self-reliance and increased infrastructure spending are expected to create jobs and more efficiencies, which will drive productivity, encourage private sector spending and accelerate economic growth.



Favourable Business Environment

The government's emphasis on 'Make in India' to promote India as a manufacturing hub, tax incentives, and rising services exports create multiple opportunities for India. The country might also gain from geopolitical developments that make it an attractive investment destination.



Vaccination Coverage

A large, vaccinated population and improved health infrastructure are likely to limit the impact of the pandemic in the future.



Young Demography

India continues to be one of the largest populations of young people in the world. According to United Nations Population Fund (UNFPA) projections, India will continue to have one of the youngest populations till 2030. India derives its demographic dividend from its average age of 29 years, giving it the advantage of having a large working population as well as a large market (Source: UNFPA).



Growing Internet Penetration

India is witnessing a rapid surge in internet usage. The country reported a CAGR of 53% in mobile broadband data traffic between 2017 and 2021, among the highest in the world. The connected consumers are driving consumption growth in the country. An analysis indicates that internet users in India increased by 34 million (5.4%+) between 2021 and 2022 owing to growth of high-speed internet usage and enablers like wide area network coverage, rapid adoption of technology, and the pandemic-accelerated digital penetration.



Robust Agriculture Sector

India's agricultural sector, which was least impacted by the pandemic, remains one of the pillars that supports the country's growth aspirations. The agriculture and allied sector registered a growth of 3.6% in FY 2020-21, which improved to 3.9% in FY 2021-22 (Source: Economic Survey). The agriculture sector is estimated to grow at a CAGR of 12% between 2021-2026.

Outlook

According to ADB, India is expected to maintain its leadership as the world's fastest-growing economy in FY 2022-23. Private consumption is expected to see a strong recovery with increasing vaccination and faster normalisation of economic activity. However, geopolitical uncertainties, increasing commodity prices driving inflation, and the possible outbreak of new variants of the virus pose downside risks to this growth forecast.

Management Discussion and Analysis

Building Products Business



BUILDING PRODUCTS INDUSTRY OVERVIEW

Sanitaryware

The Indian sanitaryware market was estimated to be ₹5,500 crore in 2021. It is the second-largest sanitaryware market in the world and is projected to grow at an accelerated rate over the next few years, driven by continued public and private initiatives in sanitation. These, along with macro factors such as rising population, urbanisation and a favourable demography, will create greater impetus for proper sanitation facilities. Resurgent real estate creates a strong demand for sanitaryware as well.

The growth of the Indian ceramic sanitaryware market is driven by improving living standards, increasing income levels, and the growing awareness of sanitation and hygiene among people. These factors are getting consumers to spend more on sanitary products.

Growing incomes and exposure to global trends in today's connected world, thanks to greater internet penetration, are driving consumers' preference for premium and luxury offerings in the range of ceramic fittings. Conscious choices to follow a healthy lifestyle, the shift from unbranded to branded products, strong replacement demand, and evolving tastes are propelling the market for sanitaryware products. The demand is expected to grow substantially with the rise of investment in commercial spaces and projects such as airports, hospitals, hotels and residential projects.

The growing demand for expensive, high-end sanitaryware products from the luxury housing segment and star hotels will also add to the revenue generated by this segment.

Faucets

The Indian faucet industry was estimated to be valued at ~₹11,000



crore in 2021. The industry is dominated by unorganised players, but there is a declining trend over the past few years due to growing brand awareness and an increasing preference for quality products. Within this segment, the bathroom category is the most dominant, with the residential segment accounting for most of the demand. The demand for faucets is expected to increase exponentially in the foreseeable future due to several factors including favourable government policies, rapid urbanisation and nuclearisation, improving lifestyles and higher disposable incomes.

Tiles

India is the second-largest producer of ceramic tiles and the second-largest consumer of ceramic tiles in the world after China with an

estimated production of 750 million sq m, or ~6% of the global market. The premium tiles market in the country is worth ~ ₹11,500 crore. The industry is largely dominated by ceramic and polished vitrified and glazed vitrified tiles.

Plastic Pipes and Fittings

India's plastic pipes market is estimated at ₹33,000 crore. The industry has posted a CAGR of 10% over the last five years (the highest growth rate in the building materials space). The industry's products are made from resins such as polyvinyl chloride (PVC), chlorinated polyvinyl chloride (CPVC), PPE, and high-density polyethylene (HDPE), with diverse applications across agriculture, plumbing, and infrastructure sectors. The market is projected to grow at a CAGR of

11-12% between 2021-25, to reach a market value of ₹55,000-60,000 crore by FY 2024-25, given the government's focus on improving irrigation and infrastructure facilities, strengthening water supply and sanitation infrastructure, and affordable housing in urban and rural areas. In addition to this, newer applications for PVC pipes are also projected to drive demand in the future.

Organised players will need to enhance their production capacity as they will gain from following the Central government's directive to manufacture pipes as per norms laid down by the Bureau of Indian Standards (erstwhile Indian Standard Institute (ISI) in April 2022.

This will help organised players gain market share from unorganised players.

GROWTH DRIVERS

Favourable Demography

The ever-improving lifestyle and living standards of millennials are projected to drive the demand for premium building products.

Technological Advancements

The emergence of nanotechnology has revolutionised the sanitaryware industry by increasing the shelf life of building materials and making them dirt and bacteria resistant. These products are gaining substantial traction across clinics, hospitals, laboratories, and food processing plants, where hygiene is critical.

Revival of Real Estate Demand

Post-pandemic, the real estate demand in India is witnessing a revival backed by rising incomes and the lowest-ever mortgage rates seen in years.

Favourable Government Policies

The Government of India has allocated ₹60,000 crore for the 'Nal Se Jal' scheme to ensure the availability of freshwater across the country. This is expected to boost the demand for pipes and fittings across the country.

Renovation

The demand for home improvement, especially bathroom renovations and remodelling, is contributing to the significant increase in the sales of building products. Pandemic-influenced need for improvements such as creation of multifunctional space, home bars and outdoor entertaining areas are also now more popular than ever.

Per Capita Consumption

The per capita consumption of tiles in 2018 was a mere 0.59 sq m in India, compared to 3.95 sq m in China and 3.39 sq m in Brazil, and the global average of 1.40 sq m, indicating a huge headroom for growth.

Increasing Urbanisation

The urbanisation rate in India is projected to increase to 40% by 2030. The demand for building products has been rising in urban locales with the constant migration of people in search of a better life and livelihood. Growing incomes in rural areas have also been generating demand for home improvement and replacement.

Shopping Malls

India is expected to see >65 million sq ft of new mall spaces by the end of 2022. Of this, the top seven cities will make up 72%, and the remaining 28% or 18.2 million sq ft is slated to come up in Tier 2-3 cities. This could widen the ceramic tile and sanitaryware market soon.

Management Discussion and Analysis

BUSINESS REVIEW

Our Building Products Business includes the flagship business of sanitaryware, faucets, super-premium tiles and plastic pipes and fittings business. We have a vast product portfolio with products available across price points, helping us cater to diverse consumer segments.

We are a leading player in the country's sanitaryware market and have strong brand equity. We are positioned among the top two faucets players in the country. Our strong distribution network includes 310+ brand stores and 20,000 retail touch points across the country, and is supported by 290+ distributors. Further, we have a service network of 530+ technicians across India, covering 700+ districts to ensure we have a wide after-sales network reach.

In the tiles segment, we operate in the premium and super-premium categories and offer an aspirational range to the discerning consumer.

Our plastic pipes and fittings business under the brand 'Truflor by Hindware' is the fastest-growing brand in India in this segment. Under the brand, we offer best-in-class, NSF-certified CPVC pipes for hot and cold-water plumbing applications, along with lead-free unplasticised polyvinyl chloride (UPVC) pipes, soil, waste and rainwater (SWR) pipes and PVC pipes for potable water. We also offer overhead water storage tanks. In this financial year, we commenced operations at our Telangana plant to cater to the growing market for overhead water storage tanks in southern India.

YEAR IN REVIEW

Sanitaryware and Faucets Business

Robust distribution and retail network

Expanded the distribution reach make deeper inroads into Tier 2 and Tier 3 cities

- About 20,000+ unique retailer base created with GSTIN numbers, tagged in the system
- 100+ new brand stores created in the financial year for an immersive customer experience
- New distributors appointed, thus creating a new channel for reaching the masses in Tier 2 and 3 markets
- Catering to 1,100+ institutional clients
- A service network of 530+ technicians pan-India covering 700+ districts, with a TAT of 24 hours in metro markets and 48 hours in upcountry markets

New product introduction across categories to reach and connect with consumers

- Introduced colour range in sanitaryware and faucets
- Introduced 15 new SKUs under Hindware & Hindware Italian Collection sanitaryware
- Launched first-in-India touch-free one-piece and wall-mounted tankless WC
- Over 50+ new SKUs launched in faucets including Aspiro

Influencer engagement

- Currently, the business has 10,000+ unique plumber base data

Established Hindware as a modern, innovative, design-led brand to connect with millennials

- Kick-started the second leg brand campaign 'Thoughtful is Beautiful', first-of-its-kind in the category, which aims to showcase how innovative performance-led product solutions can offer convenience to consumers, and this is where true beauty lies

- Increased product consideration and awareness using beautiful designs and thoughtful features (backed by technology and innovation) as the bedrock for all new product launches
- Increased brand salience at retail (product displays and refreshed in-shop imagery)
- Various campaigns such as Selfie Day, Morning Room, #TouchFreelsCarefree helped drive traffic to stores and connect with new-age consumers

Others

- New initiative in sales hygiene taken through conducting project audits to control infiltration
- Awarded 'Great Place to Work' which recognises our people-first work culture, best-in-class employee policies and strong cultural values of the Company



Tiles

Rebranding

- Rebranded tiles under the 'Hindware Italian' name to leverage the legacy of brand Hindware

Expanded reach

- International operations started in SAARC (Nepal and Bhutan)

New launches

- Launched ceramic tiles along with GVT

Plastic Pipes and Fittings

New product launches

- Launched overhead water storage tanks in the Southern market

Influencer engagement to increase brand awareness

- Connected with 60,000+ plumbers during the year through multiple engagement programmes
- Partnered with the Indian Plumbing Skill Council (IPSC) to train and nurture skills among the plumbing fraternity. Honoured and rewarded the national winners of plumbing contests under the National Skill Development Corporation (NSDC) programme

Strong distribution and retail reach

- Currently, the business has 270+ active distributors with 20,000+ retail outlets
- Awarded 'Great Place to Work' which reiterates our strong commitment to investing in our people

Outlook

Going forward, we intend to deepen our understanding of consumer requirements and launch products accordingly. We are continuously working on newer solutions for our consumers and expanding our reach across the country to capture the growth opportunities offered by downstream sectors. We are investing in digitalisation to enhance system efficiency and create a win-win proposition for all our stakeholders.

Management Discussion and Analysis

Consumer Appliances Business



CONSUMER APPLIANCES INDUSTRY OVERVIEW

Following the pandemic, there has been a substantive shift in lifestyles globally, with people spending an increasing amount of time in their homes and relying more on smart, technologically advanced appliances to make their lives easier. The Indian appliance and consumer electronics market was valued at US\$ 10.93 billion in 2021. The shift in consumer behaviour is expected to result in a CAGR of 11% for the industry. There has also been a steady growth

in demand for home automation products in Tier 3 regions and beyond, which now accounts for about half of the total demand.

The appliances and consumer electronics industry is expected to reach US\$ 21.18 billion by 2025. Increasing internet penetration is driving the market for connected home appliances in the country. India, which had 200 million+ devices in use in 2019, saw the number of connected devices grow to 2 billion in 2021. This was made possible by the increased use of Internet of Things (IoT) coupled with

the rapid digital transformation seen during the pandemic. The growth is expected to sustain with greater internet penetration and the arrival of 5G technology in the near future.

One of the major drivers of the industry has been the rise of e-commerce and rapid advance in digital payment technology. This has not only made goods more accessible to consumers but also transformed the buying experience. Consumers now seek the convenience of the omni-channel route and digital payments to meet their needs.



GROWTH DRIVERS

Growing Affordability

The growth of the Indian home appliances market is driven by growing disposable incomes and the purchasing power of consumers.

Technology Evolution

Advanced technology is making appliances more convenient and easier to use. Automation and the IoT are changing the way consumers interact with devices. India is seeing an increased use of smart and connected devices. With the tech-savvy young population entering the market, the demand for technology-led innovative products is on the rise.

Increasing Household Incomes

According to a McKinsey study, India is expected to witness a massive surge in the number of high-income households in the coming years. The country is expected to have the third-largest number of high-income households globally after the US and China, by 2030.

Policy Push

Government policies such as the PLI scheme, approved by the government in 10 key sectors (including electronics and white goods), Digital India, Smart Cities mission, and the push for electrification augur well for the consumer durables industry as they encourage consumption, promote technology adoption and the manufacture of hi-tech consumer goods.

Shift in Consumer Behaviour

Busy lifestyles are generating an increasing demand for easy-to-operate household appliances, thereby driving the market growth of household appliances and consumer electronics. Post-pandemic, there has been an increased reliance on convenience-led product categories such as washing machines, microwaves, vacuum cleaners, dishwashers, etc.

Financing Options

One of the key drivers of the consumer durables segment has been the availability of low-cost loans and easy financing schemes for consumer durables that make it possible for mid-income group consumers to spend on appliances.

Nuclearisation

Over the years, India has witnessed a significant reduction in overall household size. The average household size is said to have decreased 16% from 5.5 persons in 1999 to 4.5 persons in 2015. The emergence of dual-income nuclear families and the influence of women, who prefer household activities to be less time-consuming and more enjoyable, are driving the market for household consumer durables.

Modern Retail Formats

The increasing penetration of organised retail and e-commerce platforms has been catalysing the growth of the sector as it provides range and accessibility to consumers. With increasing digital adoption, the importance of online in the browse-to-buy purchase path of the consumer has grown exponentially.

Management Discussion and Analysis



BUSINESS REVIEW

Over the past few years, Hindware Smart Appliances has emerged as a brand to reckon with in the consumer appliances segment. Our product portfolio includes kitchen appliances including chimneys, cooktops, dishwashers, built-in microwaves and hobs, sinks and water purifiers. We also have air coolers, ceiling and pedestal fans, kitchen and furniture fittings across different price points to cater to the evolving needs of Indian consumers. Our quality products are aimed at bringing ease to the everyday life of our consumers.

Our focus on research and innovation is reflected in a wide range of products that are smart and connected. Our expansive range of IoT products includes smart water purifiers, water heaters, chimneys and air coolers. During the year, we applied for four patents, taking the total count to 32+ since we commenced our journey.

Under our kitchen and furniture fittings brand FGV Powered by Hindware™, the range of product comprises MS slide-on, integrated soft close, corner pie and wide-angle hinges, comfy ball bearing and excel bottom mounted drawer channels and uniplus and unilux drawer system and aerolift liftups.

Our products are available through a strong network of pan-India retailers as well as through various e-commerce platforms such as Amazon and Flipkart.

We have formed a joint venture with Groupe Atlantic, France, for the manufacture and marketing of water heaters in India and in SAARC nations under the company Hintastica Private Limited. The upcoming plant at Telangana is expected to commence operations in FY 2022-23 and will further reinforce our position in the growing water heater market in the country.

YEAR IN REVIEW

Strengthened current product categories to reach out to a larger audience

- Introduced IoT-enabled water heaters, Crisallo i-Pro and Elicio i-Pro, along with nine new models under storage and instant range of water heaters
- Introduced 50+ models under our fan portfolio, taking the total SKU count to 300+
- Launched the innovative BLDC motor (energy saving) under Florence Kitchen Chimney
- Strengthened the kitchen appliances range and introduced nine new cooktop models and eight new cooker hood models

New product categories

- Forayed into the room heater category with the latest technology and a range of products with best-in-class features

Strengthened distribution and retail presence

- Launched 35+ kitchen galleries during the year, taking the tally to 140+ across the country
- Presence across 1,400+ distributors, dealers and modern retail outlets to capture the growing consumer demand
- Currently, our strong 12,500+ retail touchpoints help us to connect with our consumers directly

Others

- Strong traction witnessed in the Maxx Silence range of chimneys since its launch
- Launched a 360-degree campaign for kitchen appliances; initiated a radio-led campaign for water heaters during the festive season
- Awarded 'Great Place to Work', which stands testament to our people being at the heart of what we do

Outlook

At Hindware Home Innovation Limited, our focus is trained uninterrupted on innovation. With consumers today looking at quality appliances that make their lives comfortable, we are integrating smart technologies into our products that add to their convenience. We continue to invest in digitalisation to strengthen efficiency and expand our reach to cater to our ever-growing consumer base.

We are also augmenting our service centre network to provide strong after-sales service. Together with our robust portfolio, we expect service to be the key differentiator for us going forward.



Management Discussion and Analysis

Retail



India's furniture market, which was valued at US\$ 23.33 billion in FY 2020-21 is expected to reach US\$ 32.75 billion by FY 2026-27. The Indian furniture market has traditionally been a largely unorganised one, for long dependent on local carpenters for customised wood-based products. However, there has been a significant change and there is growing preference for engineered wood furniture among new-age consumers who are driving

the growth of the organised furniture sector. Additionally, the growing presence of e-commerce platforms that offer a seamless buying experience together with speedy delivery and multiple payment options are encouraging the growth of modular and multifunctional furniture in the market for home decoration and convenience purposes.

The online furniture spend is expected to touch US\$ 2.2 billion with 5 million unique shoppers by FY 2025-26 vis-à-vis 1.8 million shoppers in FY2020-21.

The industry is further fuelled by the increasing trend of work-from-home and learning-from-home, brought about by the pandemic. This is leading to a demand for home-office set-ups, study tables, work tables, as well as other furniture solutions.

GROWTH DRIVERS

Growing Residential Sector

The residential sector is the prime driver of demand for furniture. The market is witnessing prolific growth owing to increasing population and growing demand for affordable housing. Growing incomes and aspirational lifestyles are fuelling demand for furniture.

Flexible Working

With corporates opting for flexible working norms, there has been a rising demand for making the home suitable for work. Individuals are expected to continue investing in furniture that have multiple uses.

Prominence of Online Platforms

Smartphone penetration and omnichannel retail are making it easy for consumers to make their purchases on the go. Secure online payment options, free delivery, improved online customer services, and a user-friendly interface are enhancing the choices of consumers and contributing to the growth of the market.

Innovation and Competition

The growing preference for modular furniture and engineered wood solutions is opening new opportunities for local manufacturers, many of whom are tying up with foreign manufacturers to improve the design and quality of products.

BUSINESS REVIEW

Under our retail business segment, we offer speciality home interior products through franchise-based retail stores, large-format retail stores and online platforms under the brand 'EVOK'. We have a strong online presence through www.evok.in, and are also present on prominent multi-brand furniture marketplaces such as Pepperfry, Urban Ladder, Flipkart, and Amazon.

We have two Company-owned display and sales stores in Delhi and Faridabad, and a strong and dedicated network of 30+ franchise stores across the country. Our products reflect the artistic and functional sensibilities that consumers seek, given changing tastes and lifestyle. EVOK has developed itself as one of the favourite destinations for solid and engineered wood furniture

by leveraging our core strengths understanding varied consumer and trade behaviour, retail distribution network, brand equity, global sourcing, and cost-effective supply chain management.



YEAR IN REVIEW

- Continued to remain EBIT positive
- Reported robust growth in the franchise business with the network increased to 30+ stores during the year
- Strong product portfolio of 5,000+ products
- Now serving (delivery and installation) 17,000+ pin codes across India
- Dependence on import reduced to 15%
- Initial breakthrough in government projects with the help of GeM registration

Outlook

We are focused on improving our profitability and are closely monitoring market trends to look at the opportunities available to us.

We will continue to focus on the franchise network to deliver a much better ROI. Evok.in will adopt new technological enhancements to improve the consumer experience.

Management Discussion and Analysis

Nurturing our Human Capital



We believe in empowering and encouraging our employees. We are focused on attracting new talent and investing in organic talent development to help employees acquire new skills, explore new roles and realise their potential. We continue to bring together the brightest people from various disciplines and backgrounds to form a multicultural and dynamic workforce and promote equality and diversity.

We have always believed in creating a work environment that is conducive and helps our employees express their creativity while maximising productivity. This has helped us set industry benchmarks for quality and excellence.

We encourage a work environment that promotes continuous learning and promotes learning

opportunities for employees. Our greatest strength has always been the unwavering dedication of our employees. Throughout the year, we undertook multiple initiatives to strengthen their skillset and contribute to their personal and professional growth, which have helped them contribute better to the Company's overarching growth perspective.

We are continuously striving to create an agile, connected, and empowered workforce. All our HR processes, from recruitment to exit, are online. The rich data generated by our digitalised work processes help the management in making realistic assessments and take informed decisions about employees.

During the year, we tied up with Medanta in the Delhi-NCR region to vaccinate employees and their dependents and frontline associates, and everyone above 18 years from the end of May 2021. We formed nationwide hospital tie-ups for the vaccination of eligible employees and their families. The costs incurred by our employees for their own vaccination and that of their dependents were reimbursed.

Our various learning and development programmes ensure that our employees are trained in functional and behavioural skills so that we can uphold the highest standards and quality of work we promise our internal and external stakeholders.

To improve our onboarding experience, we launched the 'e-induction' – 1st CONNECT programme to provide new joiners an overview of the Group, including its genesis, businesses, geographical presence, product offerings, policies and practices. The gamified and interactive programme is spread over 1.5 hours and has been much appreciated by the new joiners.

We were recognised as a 'Great Place to Work' by the Great Place to Work[®] Institute (India), a recognition that our continuous push to improve employee experience is the most important investment we have made so far. Hindware Home Innovation Limited is committed to fostering a diverse and inclusive workplace for all, and is taking impactful and measurable strides to do so.



Risk Management

Risks and uncertainties loom large over any business and it is imperative to monitor, analyse and counter these for business sustainability. We, at Hindware Home Innovation Limited, have an institutionalised approach to risk management.

Our Board continues to provide guidance and modify it annually to strengthen risk mapping and the consequent mitigation measures.

Risk Management Overview

We have an Audit Committee under the supervision of the Board and is responsible for monitoring the effectiveness of our risk management

process, including the identification of emerging risks.

Key dimensions

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

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

Key Risks and their Mitigation

We have classified our risks into three categories: external, operational and financial. The mitigation strategy is as follows:

External Risk

Nature	Key risks and their Definition	Mitigation Strategy
Economic, political and market risk	Slowdown in macroeconomic activities, global market disruptions and geopolitical tensions could adversely impact the business; inflation and interest rate hike could impact consumer demands	Our multi-segment business helps reduce dependence on any particular segment
Competition risk	Growing competition could impact pricing power and erode profitability	We are cognisant of our industry developments and continuously take steps to strengthen our competitive advantage. We are continuously investing in research and innovation to stay ahead of competition and cater to evolving needs of our customers. Our omnichannel distribution model helps us serve a wide consumer base across the country
Consumer risk	Inability to meet evolving consumer preferences may lead to slower offtake	Our strong customer feedback mechanism helps us understand their specific needs and design our products accordingly to stay relevant

Operational

Nature	Key risks and their Definition	Mitigation Strategy
Product quality risk	Inability to maintain product quality could impact offtake, jeopardising market reputation	Our presence in the top five brands across many categories demonstrates our commitment to quality. We stringently conform to strict quality norms
Technology risk	Technology obsolescence could diminish the Company's competitive edge	We consistently study global technological advancements and invest in cutting-edge technology to offer best-in-class products. Our partnerships and alliances with global technology leaders help us stay ahead of competition
Employee risk	The inability to attract and retain employees could impact our strategic growth objectives	We provide an enabling and equitable work environment for our people. We foster a learning culture that helps our employees grow as they progress in their careers

Management Discussion and Analysis

Nature	Key risks and their Definition	Mitigation Strategy
Distribution risk	Changing buying habits of consumers could put our distribution network under risk, thereby affecting profitability	We have created an expansive omnichannel distribution reach through our increasing digital presence while continuously strengthening our traditional network
Operating efficiency	Inability to optimally use the logistics network, stores and support units could affect our profitability	We continuously monitor and analyse the performance of our logistics network and undertake initiatives to improve, automate and review processes. Our shift to the franchise store model is driving effective reach
Cyber security	Threats emanating from cyber-attacks could disrupt our operations	We have invested heavily in building a robust IT system to help us counter potential cyber threats while ensuring organisational data integrity
Business continuity risk	Major incidents or catastrophic events like the pandemic, could impact our everyday operations and have a domino effect on our performance	After carefully analysing the market scenario, our senior management undertook several initiatives to reduce the impact of the pandemic. We are monitoring the infection rates and calibrating our response to the evolving situation
Brand legacy	As our consumers continue to engage with the brand through electronic, print and social media, misleading perceptions of the Company could potentially lead to a slowdown in sales	We continuously strive towards protecting the strong brand equity we have created over the years. We utilise both conventional and digital channels to reach a wider consumer base and effectively communicate our brand message

Financial

Nature	Key risks and their Definition	Mitigation Strategy
Credit profile	Unavailability of short and long-term working capital at a reasonable interest rate could affect our ability to meet the liquidity requirement and adversely affect our operations	We continually focus on improving our working capital requirements through optimisation of inventory and receivables cycle, and extension of our payables cycle. Besides this, we are undertaking initiatives to ensure that short-term and long-term debt are readily available to our Company at competitive costs and increase the maturity of fresh debts
Credit rating risk	Downgrade in the credit ratings could affect our ability to raise additional financing, and impact the interest rates and other commercial terms at which such additional instruments are available	We ensure that we service debt obligations in a timely manner and have a good track record with the banks. We engage with lenders and rating agencies regularly, which helps us build confidence in our performance
Currency risk	Foreign currency fluctuation could adversely impact profitability	We adequately hedge our position to protect ourselves as and when needed. We invest in forward and options contracts in accordance with Board-approved policies
Legal risk	Non-compliance with regulations could attract penalties and adversely impact reputation	Our governance framework ensures conformation with existing rules and regulations and laws. We periodically interact and report to regulatory bodies to ensure transparency regarding our policies and decision-making processes



Internal Control

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

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

Internal Financial Controls

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

Risk Management

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

Cautionary Statement

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



Directors' Report

Dear Members,

Your Directors are pleased to present the Fifth Annual Report and the Company's audited financial statements for the financial year ended 31 March 2022.

Financial Results

The Company's financial performance for the year ended 31 March 2022 is summarised below:

Financial Results	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	49,128	50,311	2,29,363	1,77,521
Add: Other Income	3,495	449	2,930	1,807
Total Income	52,623	50,760	2,32,293	1,79,328
Profit before tax	1,727	132	14,437	9,241
Add: Exceptional item	-	3,475	10,086	-
Profit before tax	1,727	3,607	24,523	9,241
Add: Profit/(Loss) from joint venture	-	-	(181)	-
Less: Tax expenses	458	1,742	4,174	3,757
Profit after tax (i)	1,269	1,865	20,168	5,484
Other Comprehensive Income (net of tax)	7	40	52	196
Total Comprehensive Income	1,276	1,905	20,220	5,680
Add: balance brought forward (ii)	4,939	3,183	21,541	16,165
Amount available for appropriation [(i)+(ii)]	6,208	5,048	41,709	21,649
APPROPRIATIONS:				
Dividend paid on equity shares	(578)	(108)	(578)	(108)
Tax on Dividend paid		-		
Balance carried forward	5,630	4,940	41,131	21,541

₹ in lakh

Operational Review

On a consolidated basis, revenue from operations for FY 2021-22 was ₹ 2,29,363 lakh as compared to ₹ 1,77,521 lakh in FY 2020-21. Earnings before interest, tax, depreciation and amortisation ("EBITDA") was ₹ 20,412 lakh as compared to EBITDA of ₹ 16,118 lakh in FY 2020-21. Profit after tax ("PAT") for the year was ₹ 20,168 lakh as compared to ₹ 5,484 lakh in FY 2020-21.

A. Building Products Business

The Building Products Business revenue from operations stood at ₹ 1,79,546 lakh in FY 2021-22 as against ₹ 1,26,196 lakh in FY 2020-21. The business posted EBIT of ₹ 15,799 lakh as against EBIT of ₹ 10,570 lakh in FY 2020-21. Our Building Products segment sustained its upwards trajectory on the back of key initiatives undertaken by the division for the year which are as follows:

Bathware

- Introduced colour range in sanitaryware and faucets
- Introduced 15 new SKUs under Hindware and Hindware Italian Collection Sanitaryware

- Launched first-in-India touch-free 1 Pc and Wall Mount Tankless
- Over 50+ new SKUs launched in faucets including Aspiro
- About 20,000 unique retailer base created with GSTIN numbers tagged in the system
- Currently, the business has 10,000+ unique plumber base data
- 100+ new Brand Stores were launched in the financial year
- Kickstarted the second leg of campaign 'Thoughtful is Beautiful', first-of-its-kind in the category, which aims to showcase how innovative performance-led product solutions can offer convenience to consumers, and this is where true beauty lies
- New distributors appointed, thus creating a new channel for reaching the masses in Tier II-III markets

Tiles

- International Operations started in SAARC (Nepal & Bhutan)
- Launched ceramic tiles along with GVT



Plastic Pipes and Fittings

- Launched overhead water storage tanks in the Southern market
- Connected with 60,000+ plumbers during the year through multiple engagement programmes
- Partnered with the Indian Plumbing Skill Council (IPSC) to train and nurture skills among the plumbing fraternity. Honoured and rewarded the national winners of plumbing contests under the National Skill Development Corporation (NSDC) program
- Currently, the business has 270+ active distributors with 20,000+ retail outlets

B. Consumer Appliances Business (CAB)

The CAB revenue from operations stood at ₹ 43,107 lakh in FY 2021-22 as against ₹ 45,469 lakh in FY 2020-21. The business achieved ₹ 570 lakh as compared to the previous year EBIT of ₹ 2,627 lakh. The division undertook the following initiatives during the year:

- Introduced 50+ models under our Fans portfolio, taking the total SKU count to 300+
- Launched innovative BLDC motor (energy saving) under Florence Kitchen Chimney
- Strengthened the kitchen appliances range and introduced 9 new models of cooktops and 8 new models of cooker hoods
- Introduced IoT enabled water heaters Cristallo i-Pro and Elicio i-Pro along with 9 new models under storage and instant range of water heaters
- Forayed into room heater category with latest technology, best-in-class features and a range of products
- Launched 35+ kitchen galleries during the year, taking the tally to 140+ across the country
- Strong traction witnessed in the Maxx Silence range of chimneys since its launch
- Launched a 360-degree campaign for kitchen appliances; initiated a radio-led campaign for water heaters during the festive season

C. Retail Business (Retail)

The Retail revenue from operations stood at ₹ 6,710 lakh in FY 2021-22 as compared to ₹ 5851 lakh in FY 2020-21. The business has EBIT gain of ₹ 417 lakh as compared to the previous year's EBIT loss of ₹ 752 lakh. The Retail business reported positive PBT for a second consecutive quarter, supported by the new strategy for this segment.

- Reported robust growth in franchise business with the network increased to 32 stores during the year
- Strong product portfolio of 5,000+ products
- Now serving (delivery and installation) 17,000+ pin codes across India

Material Changes and Commitments

The outbreak of the COVID-19 pandemic and lockdowns caused global widespread economic disruptions and impacted businesses, which currently cannot be reasonably ascertained.

The Company has up to the date of approval of financial statements evaluated and factored into the extent possible likely material events & circumstances arising from the COVID-19 pandemic and its impact on the carrying value of its assets & liabilities as of 31 March 2022. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of its Assets as of 31 March 2022. The impact of any future events & developments emerging out of the COVID-19 pandemic, if any, and occurring after the balance sheet date and relating to the assets & liabilities of the Company as of 31 March 2022 will be recognized prospectively.

Considering the Company's robust product portfolio, brand imagery, long-standing relationships with partners & goodwill it enjoys among its customers & other stakeholders, the business operations, cash flows, future revenue, assets and liabilities will sustain going forward.

(i) Acquisition of BPD Undertaking by Hindware Limited (Formerly known as Brilloca Limited), wholly owned subsidiary of the Company, from AGI Greenpac Limited (Formerly known as HSIL Limited)

During the year under review, as a part of corporate strategy, Hindware Limited (Formerly known as Brilloca Limited), a wholly owned subsidiary of the Company, acquired the business undertaking of AGI Greenpac Limited (Formerly HSIL Limited), which is engaged in the business of manufacturing of sanitaryware, faucets and plastic pipes and fittings, through its operating manufacturing plants, along with all the related assets and liabilities including but not limited to the embedded goodwill, movable and immovable assets, employees, contracts (including lease deeds), intellectual property and other intangible assets, licenses, permits, consents, approvals, inventory and insurance policies ("BPD Undertaking"), on slump sale basis for a lump sum consideration of ₹ 630,00,00,000/- (Rupees Six Hundred and Thirty Crores known as only) which amount has been mutually negotiated between the parties. The aforementioned purchase consideration is subject to certain customary closing date adjustments.

The aforesaid acquisition of the BPD Undertaking has been made effective from the closing of business hours of 31 March 2022. This acquisition is in the nature of significant transactions pursuant to Regulation 24(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI LODR").

(ii) Change of Name of the Company

The Company is engaged, inter-alia, in the business of consumer appliances under the brand name "Hindware". The brand name "Hindware" is a prominent and renowned brand and has substantial market presence in the industry and the same shall be reflected in the name of the Company. Accordingly, the name of the Company has been changed from

"Somany Home Innovation Limited" to "Hindware Home Innovation Limited" with effect from 23 May 2022 vide fresh Certificate of Incorporation issued by the Registrar of Companies, Kolkata, West Bengal.

Subsidiaries, Joint Ventures and Associate Companies

The Company has Hindware Limited (Formerly Brilloca Limited) as its material subsidiary in accordance with the SEBI LODR. The name of Brilloca Limited was changed to Hindware Limited with effect from 13 April 2022 consequent upon receipt of fresh Certificate of Incorporation from ROC, West Bengal.

During the year under review, the Company infused ₹ 766.59 lakh by subscribing 25,300 equity shares by way of private placement and further acquired 66,000 equity shares on rights basis by infusing ₹ 1999.80 lakh in Hintastica Private Limited, a joint venture company.

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

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

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

The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: <https://www.hindwarehomes.com/pdf/Policy%20on%20Material%20Subsidiaries.pdf>

Share Capital

During the year under review, the Company did not issue equity shares. Accordingly, the paid-up equity share capital of the Company as on 31 March 2022 was ₹ 1445.93 lakh.

Credit Ratings

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

Investor Education and Protection Fund (IEPF)

Please refer IEPF section of Notice of 5th Annual General Meeting ("AGM") which forms part of this Annual Report.

Dividend

During the year under review, the Board of Directors, in its meeting held on 10 February 2022, declared interim dividend @ 25% i.e. Re.0.50 (Paise Fifty) per equity share of ₹ 2/- each for the financial year 2021-2022.

Considering the financial performance of the Company, the Board of Directors recommended the aforesaid interim dividend as final dividend for the FY 2021-22 for approval of the shareholders in accordance with the Dividend Distribution Policy of the Company.

Transfer to Reserves

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

Deposits

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

Auditors and Auditors' Reports

Statutory Auditors

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

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

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

Secretarial Auditor

The Board had appointed M/s. DMK Associates, Company Secretaries, New Delhi, (Ms. Monika Kohli, Practicing Company Secretary CP No.4936) to conduct Secretarial Audit for the financial year 2021-22, pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report in Form No. MR - 3 for the financial year 2021-22 is enclosed as **Annexure A** to this Report. The Secretarial Audit Report does not contain any observation or adverse remark.

Further, Hindware Limited (Formerly known as Brilloca Limited), the material unlisted subsidiary of the Company has undergone Secretarial Audit for the year ended 31 March



2022. The Secretarial Audit Report issued by M/s. DMK Associates, Company Secretaries, New Delhi, (Ms. Monika Kohli, Practicing Company Secretary CP No.4936) is enclosed as **Annexure-B**. The said report is self-explanatory and does not contain any qualifications, reservations, adverse remarks or disclaimers.

Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo

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

Annual Return

In accordance with Section 134(3)(a) of the Companies Act, 2013, the Annual Return in prescribed format may be accessed on the Company's website i.e. www.hindwarehomes.com

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of this Annual Report.

Directors' Responsibility Statement

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

- a) in the preparation of the annual accounts for the year ended 31 March 2022, the applicable accounting standards read with requirements set out under Schedule III to the Act, had been followed and there are no material departures from the same;
- b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2022 and of the profit of the Company for the year ended on that date;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a 'going concern' basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Corporate Governance

The report on Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report. The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

Contracts and Arrangements With Related Parties

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

The policy on materiality of related party transactions and dealing with related party transactions has been amended pursuant to the recent amendments in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has also been approved by the Board of Directors. The said policy may be accessed on the Company's website at the link: <https://www.hindwarehomes.com/pdf/Related%20Party%20Transaction%20Policy.pdf>.

Your Directors draw attention of the members to Note no. 47 to the financial statements which set out related party disclosures.

Corporate Social Responsibility (CSR)

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

Number of Board Meetings

During the year under review, 5 Board Meetings were convened and held. For further details, please refer to the Report on Corporate Governance which is forming part of this Annual Report.

Audit Committee

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

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

Disclosure Under Secretarial Standards

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

Vigil Mechanism (Whistle Blower) Policy

The Company has in place a Whistle Blower Policy to establish a vigil mechanism for Directors/Employees and

other stakeholders of the Company to report concerns affecting the smooth and efficient running of operations of the Company. This Policy documents the Company's commitment to maintain an open work environment in which employees, consultants and contractors are able to report instances of unethical or undesirable conduct, actual, suspected fraud or violation of the Company's Code of Conduct.

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

Nomination and Remuneration Policy

The Company has in place a Nomination and Remuneration Policy for appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Policy is available on Company's website at the link: <https://www.hindwarehomes.com/pdf/Nomination%20and%20Remuneration%20Policy.pdf>

Dividend Distribution Policy

The Company has in place a Dividend Distribution Policy as per Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy was adopted to set out the parameters that will be taken into account by the Board in determining the distribution of dividend to its members and/or retaining profit earned by the Company. The Policy is available on Company's website at the link: <https://www.hindwarehomes.com/pdf/Dividend%20Distribution%20Policy.pdf>

Particulars of Loans, Guarantees and Investments

Particulars of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the Financial Statements (Please refer Note Nos. 6, 7 and 14).

Particulars of Employees

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

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

Internal Controls

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

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

Internal Financial Controls

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

Risk Management

The Board of Directors of the Company has constituted a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Company has also adopted a Risk Management Policy which establishes various levels of accountability and overview within the Company.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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



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

Directors and Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rakesh Kaul, Whole-time Director & CEO of the Company, retires by rotation at the ensuing Annual General Meeting ("AGM") and being eligible, offered himself for re-appointment.

The present term of Mr. Rakesh Kaul as Whole-time Director & CEO of the Company will expire by efflux of time on 16 September 2022. The Board is seeking shareholders' approval at the ensuing Annual General Meeting (AGM) for re-appointment of Mr. Rakesh Kaul as Whole-time Director & CEO of the Company for a further period of 3 (Three) consecutive years, commencing from 17 September 2022 upto 16 September 2025. Profile of Mr. Rakesh Kaul is given in the Statement under Section 102 of the Companies Act, 2013 to the Notice of the ensuing AGM of the Company.

Declaration by Independent Directors

The Company has received necessary declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"). In the opinion of the Board, they fulfil the conditions of independence as specified in the Act and SEBI LODR and are independent of the management.

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

Board Evaluation

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

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

Training of Independent Directors

The details of programmes conducted for familiarisation of Independent Directors with the Company, nature of the industry in which the Company operates, business model of the Company etc. has been uploaded on the Company's website at the web link: <https://www.hindwarehomes.com/training-of-directors.php>

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

General

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

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

Acknowledgment

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

For and on behalf of the Board of Directors

Place: Gurugram
Date: 25.07.2022

Sandip Somany
Chairman

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

To
The Members,
M/s. Hindware Home Innovation Limited
(Formerly known as Somany Home Innovation Limited)
CIN: L74999WB2017PLC222970
2, Red Cross Place,
Kolkata, West Bengal 700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hindware Home Innovation Limited (Formerly known as Somany Home Innovation Limited) CIN: L74999WB2017PLC222970** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March 2022 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter along with **Annexure 1** attached to this report:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2022 according to the provisions of:

- (i) The Companies Act, 2013 ("Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB); **(No FDI and ECB were taken and no ODI was given by the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended till date;
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended till date;
- c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended till date;
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended till date; **(Not applicable to the Company during the Audit Period)**
- e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended till date; **(Not applicable to the Company during the Audit Period)**
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended till date; **(Not applicable to the Company during the Audit Period)**
- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act 2013, and dealing with client; **(Not applicable to the Company during the Audit Period)**
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as amended till date; **(Not applicable to the Company during the Audit Period)** and
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 as amended till date; **(Not applicable to the Company during the Audit Period)**

(vi) OTHER LAWS SPECIFICALLY APPLICABLE TO THE COMPANY AS IDENTIFIED BY THE MANAGEMENT

- i. BEE – Bureau of Energy Efficiency,
- ii. BIS – Bureau of Indian Standards,
- iii. The Public Performance License of Copyright Music (Sound Recording) issued by Phonographic Performance Limited.



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

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

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

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

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

Based on the compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by Chief Executive Officer and Chief Financial Officer of the Company pursuant to Regulation 17(8) under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and report given by Company Secretary

under the Act taken on record by the Board of Directors at their meeting(s), we further report that:

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

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

1. Resolution pursuant to provision of Section 4(4), 13(2) of the Companies Act, 2013 and read with Rule 14 of the Companies (Incorporation) Rules, 2014 was passed in the meeting of Board of Directors held on 10 February 2022, subject to consent of the shareholders and Central Government/Registrar of Companies for proposal of change in name of the Company from "Somany Home Innovation Limited" to "Hindware Home Innovation Limited".
2. Special Resolution under Section 4, 5, 13, 14 & 15 of the Companies Act, 2013 and Regulation 45 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was passed by the members through postal ballot dated 29 April 2022 for change of name of the Company from "Somany Home Innovation Limited" to "Hindware Home Innovation Limited" and consequent alteration in Memorandum and Articles of Association of the Company.

For DMK ASSOCIATES
COMPANY SECRETARIES

(MONIKA KOHLI)

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

FCS 5480, C P 4936

Peer Review No. 779/2020

UDIN: F005480D000392746

Place: New Delhi

Date: 26.05.2022

To
The Members,
M/s. Hindware Home Innovation Limited
(Formerly known as Somany Home Innovation Limited)
CIN: L74999WB2017PLC222970
2, Red Cross Place,
Kolkata, West Bengal 700001

Sub: Our Secretarial Audit for the Financial Year ended 31 March 2022 of even date is to be read along with this letter

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

Place: New Delhi
Date: 26.05.2022

For DMK ASSOCIATES
COMPANY SECRETARIES

(MONIKA KOHLI)
FCS, I.P, LL.B, B. Com (H).
PARTNER
FCS 5480, C P 4936
Peer Review No. 779/2020
UDIN: F005480D000392746



Annexure B

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

To
The Members,
M/s HINDWARE LIMITED
(Formerly Known as Brilloca Limited)
CIN: U74999WB2017PLC223307
2, Red Cross Place
Kolkata, West Bengal 700001

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31 March 2022 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter along with **Annexure 1** attached to this report:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2022 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable to the Company during the Audit Period)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not applicable to the Company during the Audit Period)**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB); **(No FDI and ECB were taken by the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended till date; **(Not applicable to the Company during the Audit Period being an unlisted company)**
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended till date; **(Not applicable to the Company during the Audit Period being an unlisted company)**
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended till date; **(Not applicable to the Company during the Audit Period being an unlisted company)**
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021 as amended till date; **(Not applicable to the Company during the Audit Period being an unlisted company)**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended till date; **(Not applicable to the Company during the Audit Period being an unlisted company)**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client as amended till date; **(Not applicable to the Company during the Audit Period being an unlisted company)**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as amended till date; **(Not applicable to the Company during the Audit Period being an unlisted company)** and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 as amended till date; **(Not applicable to the Company during the Audit Period being an unlisted company)**

(vi) **OTHER LAWS**

As per the information provided and confirmed by the management that the Company is into trading business, the Company has acquired/taken on lease various depots and warehouses for which registrations under Shops & Establishment Act (s) in different State(s) & UT(s)

have been made. The Company had registered under Shops & Establishment Act (s) wherever applicable and obtained necessary Licenses, Certificates under various laws and statute(s) such as Trade Licenses, Professional Tax Certificates, GST Certificates etc. Further, as per the information provided and confirmed by the management, no sector specific law is applicable on the Company.

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

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

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

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

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

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

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

1. Board of Directors in their meeting held on 5 February 2021 passed a resolution under Section 188 of the Companies Act, 2013 to enter into material contract(s)/

arrangement(s)/transaction(s) with AGI Greenpac Limited (Formerly known as HSIL Limited), a related party as defined under the provisions of the Companies Act, 2013 ("the Act") up to a maximum aggregate value of ₹ 1996 Crore plus applicable Goods and Service Tax during the financial year 2021-2022 shall be in the ordinary course of business of the Company and at arm's length basis.

2. Ordinary Resolution pursuant to the provisions of Section 188 of the Act and any other applicable provisions of the Act, read with Rule 15 of the Companies (Meeting of the Board and its Powers) Rules, 2014 and other applicable rules, was passed by members in its Extra Ordinary General Meeting held on 21 February 2022 for acquisition of undertaking of AGI Greenpac Limited (Formerly known as HSIL Limited) engaged in the business of manufacture of sanitaryware, faucets and plastic pipes (PVC and CPVC) and fittings, through its manufacturing plants, as a going concern on a Slump Sale basis at a lumpsum consideration of ₹ 630 Crores.
3. Board Resolution pursuant to provision of Section 4(4), 13(2) of the Act and read with Rule 14 of the Companies (Incorporation) Rules, 2014 was passed in the meeting of Board of Directors held on 4 February 2022, subject to consent of the shareholders and Central Government/ Registrar of Companies for proposal of change in name of the Company from "Brilloca Limited" to "Hindware Limited".
4. Board Resolution pursuant to provisions of Section 186 of the Act and rules thereof, and/or any other law for the time being in force, was passed on 4 February 2022, to make investments in the form of Capital Contribution in the proposed incorporation of a new Company "Trufllo Pipes Limited" as wholly owned subsidiary as may be incorporated by making necessary application to the Ministry of Corporate Affairs by way of subscribing shares of such subsidiary.
5. Special Resolution under Section 4, 5, 13, 14 & 15 of the Act was passed by the members in its Extra Ordinary General Meeting held on 31 March 2022 for change of name of the Company from "Brilloca Limited" to "Hindware Limited" and consequent alteration in Memorandum and Articles of Association of the Company.

For DMK ASSOCIATES
COMPANY SECRETARIES

(MONIKA KOHLI)

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

PARTNER

FCS 5480, C P 4936

Peer Review No. 779/2020

UDIN: F005480D000330992

Date : 17.05.2022

Place: New Delhi



Annexure 1

To
The Members,
M/s HINDWARE LIMITED
(Formerly known as Brilloca Limited)
CIN: U74999WB2017PLC223307
2, Red Cross Place, Kolkata
West Bengal 700001

Sub: Our Secretarial Audit for the Financial Year ended 31 March 2022 of even date is to be read along with this letter

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

For DMK ASSOCIATES
COMPANY SECRETARIES

(MONIKA KOHLI)
FCS, I.P, LL.B, B. Com (H).
PARTNER
FCS 5480, C P 4936
Peer Review No. 779/2022
UDIN: F005480D000330992

Place: New Delhi
Date: 17.05.2022

Annexure C

Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo

(A) Conservation of Energy**(i) The steps taken or impact on conservation of energy**

Moving towards paper pulp in place of thermocol, shifted towards runner less injection molds and actively working on BLDC technology across multiple segments.

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

Not Applicable

(iii) The capital investment on energy conservation equipments:

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

(B) Technology Absorption**(i) The efforts made towards technology absorption**

At present, the Company has in-house facilities to develop all its technologies.

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

After commencement of chimney production in India, the Company is expected to achieve gains in areas of value engineering, faster time to market and reduce our dependency over imports.

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

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

(iv) Expenditure incurred on Research and Development

Particulars	(₹ in lakh)	
	2021-22	2020-21
Capital Expenditure	NA	NA
Recurring Expenditure	NA	NA
Total	NA	NA
Total R&D expenditure as a % of total revenue		

(v) Foreign Exchange Earnings and Outgo

Particulars	(₹ in lakh)	
	2021-22	2020-21
Earning in foreign currency	546.88	0.62
Outgo of foreign currency		
- Raw Material, spare part and others	11,206.53	9,977.55
- Capital Equipment	Nil	2.49



Annexure D

Form No. AOC-2

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

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

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

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

NIL

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

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

NIL

For and on behalf of the Board of Directors

Sandip Somany
Chairman

Annexure E

Details Pertaining to Employees as Required Under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

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

Name of the Directors	Ratio to median remuneration*
Executive Director	
Mr. Rakesh Kaul	49.35
Non-Executive Directors	
Mr. Sandip Somany	0.90
Mr. Salil Kumar Bhandari	1.05
Mr. Ashok Jaipuria	0.33
Mr. Nand Gopal Khaitan	0.95
Ms. Anisha Motwani	0.74

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

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

Director, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase/(decrease) in remuneration in the financial year
Mr. Sandip Somany, Chairman and Non-Executive Director	16.88
Mr. Rakesh Kaul, Whole time Director & CEO	34.47
Mr. Salil Kumar Bhandari, Independent Director	50.17
Mr. Ashok Jaipuria, Independent Director	(5.88)
Mr. Nand Gopal Khaitan, Independent Director	30.21
Ms. Anisha Motwani, Independent Director	50.53
Mr. Naveen Malik, Chief Financial Officer	20.51
Ms. Payal M Puri, Company Secretary	22.40

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

- (iii) The percentage increase in remuneration in the median remuneration of employee in the financial year: **28.34%**
- (iv) The number of permanent employees on the rolls of the Company as on 31 March 2022: **400**
- (v) Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

There is an average percentile increase made in the salaries of the employees other than the managerial personnel in the last financial year: **14.61%**

- (vi) Affirmation that the remuneration is as per the Nomination and Remuneration Policy of the Company:

The Company affirms that the remuneration is as per the Remuneration Policy of the Company.



Business Responsibility Report

This report conforms to the Business Responsibility Reporting (BRR) requirement of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and its amendments thereon and the National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, India. Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 which came into effect from 5 May 2021, the Company is committed to prepare and submit a Business Responsibility and Sustainability Report (BRSR) in the format as prescribed by the SEBI with effect from the FY 2022-23.

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

Section A: General Information About the Company

1. **Corporate Identity Number (CIN) of the Company:** L74999WB2017PLC222970
2. **Name of the Company:** Hindware Home Innovation Limited (Formerly known as Somany Home Innovation Limited)
3. **Registered Address:** 2 Red Cross Place, Kolkata - 700001, West Bengal
4. **Website:** www.hindwarehomes.com
5. **E-mail ID:** investors@shilgroup.com
6. **Financial Year reported:** 1 April 2021 – 31 March 2022
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**
 - i. 47591, 47592- Furniture and Kitchen Utilities (Retail)
 - ii. 47593, 47594, 47599 - Retail sale of cooking/ kitchen appliances, other electrical/electronic household goods and other household appliances
8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**
 - i. Consumer Durables/Electronics household goods and other household appliances
 - ii. Furniture and Kitchen Utilities (Retail)

9. Total number of locations where business activity is undertaken by the Company:

- i. Number of International Locations: NIL
- ii. Number of National Locations: 31 (including Registered Office, Corporate Office, Warehouses and Regional Offices)

10. Markets served by the Company - Local/State/ National/International:

LOCAL	STATE	NATIONAL	INTERNATIONAL
Yes	Yes	Yes	Yes

Section B: Financial Details of the Company (INR)

1	Paid up Capital:	₹ 1,445.93 Lakhs
2	Total Income:	₹ 52,623 Lakhs
3	Total profit after taxes:	₹ 1,269 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%) :	As per the audited financial statements of the Company for the FY 2020-2021, the provisions of Corporate Social Responsibility (CSR) were not applicable to the Company for FY 2021-2022

5. List of activities in which expenditure in 4 above has been incurred:

As per the audited financial statements of the Company for the FY 2020-2021, the provisions of Corporate Social Responsibility (CSR) were not applicable to the Company for the FY 2021-2022.

Section C: Other Details

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

Yes, Company has Five (5) subsidiary companies as on 31 March 2022 including step down subsidiary.

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

The Company has two (2) step down foreign subsidiaries, the subsidiaries are complying with the applicable laws of their respective countries. The Company has three (3) Indian subsidiaries. The subsidiary companies define their own initiatives specific to their business context whilst having access to information and expertise residing with the Company.

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

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

Section D: BR Information

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

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

DIN : 08560772

Name : Mr. Rakesh Kaul

Designation : Whole-time Director & Chief Executive Officer

b) Details of the BR Head

S. No.	Particulars	Details
1.	DIN (if applicable)	08560772
2.	Name	Mr. Rakesh Kaul
3.	Designation	Whole-time Director & CEO
4.	Telephone number	+91-0124-2889300
5.	E-mail ID	brr@shilgroup.com

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

S. No.	Questions	Business Ethics	Sustainability	Employees' Well-being	Stakeholders' Welfare	Human Rights	Environment	Regulatory Policy	Equitable Development	Customer Responsibility
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Yes, the policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	https://www.hindwarehomes.com/pdf/Business%20Responsibility%20Policies.pdf								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy /policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

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

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

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

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

Principle 5: Businesses should respect and promote human rights.

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

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

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

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



S. No. Questions	Business Ethics	Sustainability	Employees' Well-being	Stakeholders' Welfare	Human Rights	Environment	Regulatory Policy	Equitable Development	Customer Responsibility
	P1	P2	P3	P4	P5	P6	P7	P8	P9
9. Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes, any grievances or feedback to the policies can be sent to brr@shilgroup.com								
10. Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Yes, through Internal Auditors								

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

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

3. Governance related to BR

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

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

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

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

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

Stakeholder	Complaints received during FY 2021 -2022	Complaints Resolved during FY 2021 -2022	Complaints Resolved (%)
Investors' Complaints	-	-	-
Consumers' Complaints	570142	566824	99.42%
Total	570142	566824	99.42%

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

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

- Water Heaters
- Kitchen Chimneys
- Air Coolers

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

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

Change in packaging material and manual resulted in reduction of paper usage as inputs across various categories. The Company also used the re-engineered plastic in air coolers to encourage

Section E: Principle-Wise Performance

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

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

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

recycled material and optimised the consumption of key raw materials like copper and steel.

Sourcing and Quality team is further exploring areas for improvement of packaging material like corrugated boxes and alternative material like pulp and corrugated sheets against thermocol.

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

During the year, the Company launched various energy efficient water heaters models.

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

Also, the steps are being taken on how the Hobbs and Cooker hoods be designed to preserve the fuel energy.

The Company is in advanced phase to launch various new products with BLDC motors like chimneys, fans, coolers etc. for energy conservation.

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

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

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

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

The Company strongly believes in upgrading its partners with small set ups and elevate them for large scale cooperation. The Company has supported the upgrade of manufacturing of its OEM with right efficient machinery. Further, the Company continues to constantly work with its vendors/business partners towards the process for mutual growth and advantages.

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

Not Applicable, as the Company has no manufacturing facility.

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

1. Please indicate the total number of employees. - 400 (permanent employees)
2. Please indicate the total number of employees hired on a temporary/contractual/casual basis. - 134
3. Please indicate the number of permanent women employees. - 10
4. Please indicate the number of permanent employees with disabilities - Nil
5. Do you have an employee association that is recognised by management? - No
6. What percentage of your permanent employees is members of this recognised employee association? - N.A.
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

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

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

- (a) Permanent Employees: 80%
- (b) Permanent Women Employees : 80%
- (c) Casual/Temporary/Contractual Employees: 65%
- (d) Employees with Disabilities – N.A.

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

1. Has the Company mapped its internal and external stakeholders? Yes/No
Yes, the Company's key stakeholders include employees, suppliers, customers, business partners, regulatory agencies and local communities around its sites of operation.
2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders.
Yes, the Company has identified the disadvantaged, vulnerable and marginalised stakeholders.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and



marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

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

Principle 5: Businesses should respect and promote human rights

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Yes, Water Quality Association (WQA)

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

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

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

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

There being inadequate profit in the immediately preceding financial year, the provisions of Section 135 of the Companies Act, 2013 pertaining to Corporate Social Responsibility for the FY 2021-2022 were not applicable to the Company. However, the Company is committed to take such initiatives in the future.

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

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

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

Please refer point 1 of Principle 8 above.

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

Please refer point 1 of Principle 8 above.

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

Please refer point 1 of Principle 8 above.

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

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**
0.58%

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

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

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

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

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

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



Report on Corporate Governance

Company Philosophy

The Company believes that good governance is beyond the realm of law. It stems from the mindset and culture of management and cannot be regulated only by legislation. Your Company understands that Corporate Governance is the interaction between stakeholders and management in shaping a company's performance and the way it is moving towards its goals. The primary objective of the Company is to enhance the value of shareholders along with the interest of the other stakeholders. Your Company pursues the business processes that are aimed at producing results which meet the needs of society and organisational prosperity while making strategic use of its available resources.

The Company's philosophy on Corporate Governance ensures: protection of the interest of shareholders; disclosure and transparency in business transactions; compliances of the statutory and legal framework; and ethical conduct of business.

The Company recognises the accountability of the Board and the impact of its decisions on its customers, dealers, employees, shareholders, and with every individual, who comes in contact with the Company. The Board of Directors aligns the interests of the Board, Management, Shareholders and Stakeholders and responds to their duties and responsibilities aligned to transparency and accountability.

A. Board of Directors

The Company is managed and controlled by a professional Board comprising a blend of Executive and Non-executive professional Directors with considerable professional expertise and experience which provides leadership and guidance to the management thereby enhancing Stakeholders' value. As on 31 March 2022, the Board of Directors consisted of six Directors out of which four (i.e. 66.00%) are Independent Directors, one (17.00%) is Non-Executive Non-Independent Director and one (17.00%) is Executive Director. The composition of the Company's Board is in conformity with the provisions of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

As on 31 March 2022, none of the Directors on the Company's Board was a Director in more than 10 Public Companies (including 7 Listed Companies), neither a Chairman of more than 5 Committees nor a member of more than 10 Committees in all the public companies in which they are Directors. Further, all the Directors have made necessary disclosures regarding their Directorship and Chairmanship/Committee Membership in other Companies as per the requirement of the Listing Regulations, Act and other applicable provisions, if any.

As on 31 March 2022, no Director is related to any other Director on the Board.

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

Five Board meetings were held during FY 2021-22 and the gap between two meetings did not exceed 120 days. The dates, on which the Board meetings were held, are as follows: 26 May 2021, 12 August 2021, 9 November 2021, 15 January 2022 and 10 February 2022.

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

The names and categories of the Directors on the Board, along with their attendance at the Board meetings held during the year ended 31 March 2022, and at the last Annual General Meeting, and the number of other Directorship and Chairmanship/Membership of Committees held by them, are given below:

Name of the Director	No. of Board meetings attended during tenure	Whether attended the last AGM	No. of other Directorship*	Committee position of Companies**		No. of Equity Shares held
				Chairman	Member	
Executive						
Mr. Rakesh Kaul (Whole-time Director & CEO) DIN: 08560772	5	Yes	1	Nil	Nil	Nil
Non-executive and Non-Independent						
Mr. Sandip Somany (Chairman and Non-Executive Director)DIN: 00053597	5	Yes	4	Nil	1	2394731
Non-executive and Independent						
Mr. Ashok Jaipuria DIN: 00214707	2	No	2	Nil	Nil	25000
Mr. N. G. Khaitan DIN: 00020588	5	Yes	5	3	4	132
Mr. Salil Kumar Bhandari DIN: 00017566	5	Yes	4	1	Nil	Nil
Ms. Anisha Motwani DIN: 06943493	5	No	9	1	4	Nil

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

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

Name of Listed Companies in which Directors hold Directorships other than Hindware Home Innovation Limited (Formerly known as Somany Home Innovation Limited)

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

Core Skills/Expertise/Competencies of Directors

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

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

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

During the FY 2021-22, no Independent Director resigned from the Board of Directors of the Company.

B. Committees of the Board

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

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

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

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

Audit Committee

Composition

The Committee comprising of four Directors (one Non Independent Non-executive Director and three Independent Directors). Mr. Salil Kumar Bhandari, Fellow Chartered Accountant and Commerce

graduate, is the Chairman of the Committee. The quorum of the Committee is two members or one-third of the members, whichever is higher with at least two Independent Directors. The Whole-time Director & CEO, Finance Head, Statutory Auditors and the Internal Auditors are invitees to the meetings of the Audit Committee. The business and operation heads are invited to the meetings, as and when required. The Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance

During the year, four meetings of the Audit Committee were held on 26 May 2021, 12 August 2021, 9 November 2021 and 10 February 2022. The Chairman of the Audit Committee attended the Company's last Annual General Meeting.

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

Name of Members	Status	No. of meetings held during the tenure	No. of meetings attended
Mr. Salil Kumar Bhandari	Chairman	4	4
Mr. Sandip Somany	Member	4	4
Mr. N. G. Khaitan	Member	4	4
Ms. Anisha Motwani	Member	4	4

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

Scope of the Audit Committee

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

The scope of the Audit Committee is as follows:

Powers of Audit Committee

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

Terms of Reference

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, adequate and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fee;
- Approving payment to Statutory Auditors for any other services rendered by them;
- Reviewing, with the management, the Annual Financial Statements and Auditor's report thereon before submission to the Board for approval, with particular reference to, (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013; (b) Changes, if any, in accounting policies and practices and reasons for the same; (c) Major accounting entries involving estimates based on the exercise of judgment by management; (d) Significant adjustments made in the Financial Statements arising out of audit findings; (e) Compliance with listing and other legal requirements relating to Financial Statements; (f) Disclosure of any related party transactions; and (g) Qualifications in the draft audit report, if any;
- Reviewing, with the management, the Quarterly Financial Statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue, if any, and making appropriate recommendations to the Board to take up steps in this matter;

- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Reviewing, with the management, the performance of Statutory and Internal Auditors and adequacy of the internal control system;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Reviewing reports of internal audit and discussing with Internal Auditors on any significant findings of any internal investigations by the Internal Auditors and the executive management's response on matters and follow-up thereon;
- Reviewing reports of cost audit, if any, and discussion with Cost Auditors on any significant findings by them;
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- To review the functioning of the Vigil (Whistle Blower) mechanism;
- Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Recommending to the Board, the appointment and fixation of remuneration of Cost Auditors, if applicable;
- Evaluating Internal Financial Controls and Risk Management Systems and reviewing the Company's financial and risk management policies;
- Looking into the reasons for substantial defaults, if any, in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the Management Discussion and Analysis of financial condition and results of operation;
- Reviewing the statement of significant related-party transactions;

- Reviewing the management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- To review the appointment, removal and terms of remuneration of the Chief Internal Auditor;
- To review the internal audit report relating to internal control weaknesses;
- To review compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, and verify that the systems for internal controls are adequate and are operating effectively;
- To review the utilisation of loans and/or advances from/investment by the Company in its subsidiary companies exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower; and
- To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

Corporate Affairs Committee

Composition

The Corporate Affairs Committee comprised of one Executive Director, one Non-executive Non-Independent Director and one Independent Director. Mr. Rakesh Kaul, Whole-time Director & CEO of the Company, is Chairman of the Committee. The quorum for the Committee is two members. The Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance

The Corporate Affairs Committee met on five occasions during the FY 2021-22, on 5 April 2021, 15 July 2021, 13 August 2021, 4 October 2021 and 7 February 2022.

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

Name of Members	Status	No. of meetings held during the tenure	No. of meetings attended
Mr. Rakesh Kaul	Chairman	5	5
Mr. Sandip Somany	Member	5	4
Mr. Salil Kumar Bhandari	Member	5	1

Scope of the Corporate Affairs Committee

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

the Board of Directors to facilitate seamless operations of the Company.

Nomination and Remuneration Committee

Composition

The Nomination and Remuneration comprises of three members, two of them are Independent Directors and one is Non-executive Non-Independent Director. The quorum for a meeting of the Nomination and Remuneration Committee shall be either two members or one third of the members of the Committee, whichever is higher, including at least one Independent Director in attendance. The Company Secretary acts as Secretary to the Committee.

Meetings and Attendance

During the year, the Nomination and Remuneration Committee met three times on 26 May 2021, 12 August 2021 and 10 February 2022. The following table summarises the attendance details of the Nomination and Remuneration Committee members:

Name of Members	Status	No. of meetings held during the tenure	No. of meetings attended
Mr. Salil Kumar Bhandari	Chairman	3	3
Mr. Sandip Somany	Member	3	3
Mr. N. G. Khaitan	Member	3	3

Terms of reference

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

- formulating criteria for determining qualifications, positive attributes and independence of Directors;
 - For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

- c. consider the time commitments of the candidates.
- identifying and recommending individuals who are qualified to become Directors, and who may be appointed as Senior Management in accordance with the criteria laid down;
 - assisting the management of the Company in formulating and periodically reviewing the familiarisation programs for Independent Directors, as may be required;
 - formulating criteria for evaluation of Independent Directors and the Board;
 - specifying the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
 - recommending to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management, and while formulating such policy ensuring that (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of quality, required to run the Company successfully; (ii) the relationship of remuneration to performance is clear and meets the appropriate performance benchmarks; and (iii) remuneration to Directors, Key Managerial Personnel and Senior

Management involves a balance between the fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;

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

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

Detail of Remuneration of Directors

The table below provides the detail of the remuneration paid to the Directors during the financial year 2021-22:

Name of Directors	Basic	Perquisites	Commission* (for the year 2020-21)	Contribution to PF	Sitting Fee	Amount (in ₹)	
							Total
Mr. Sandip Somany	N.A.	N.A.	1,03,208	N.A.	3,45,000		4,48,208
Mr. Rakesh Kaul	2,25,86,489	9,65,600	N.A.	9,55,175	N.A.		2,45,07,264
Mr. Ashok Jaipuria	N.A.	N.A.	1,03,209	N.A.	60,000		1,63,209
Mr. Nand Gopal Khaitan	N.A.	N.A.	1,03,208	N.A.	3,70,000		4,73,208
Mr. Salil Kumar Bhandari	N.A.	N.A.	1,03,209	N.A.	4,20,000		5,23,209
Ms. Anisha Motwani	N.A.	N.A.	1,03,209	N.A.	2,65,000		3,68,209
Total	2,25,86,489	9,65,600	5,16,043	9,55,175	14,60,000		2,64,83,307

* The commission for the FY 2020-21, was paid to the Directors after approval of the Financials by the Shareholders at the 4th AGM held on 27.09.2021

The Company has not issued any stock option to its Directors/Employees.

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

The transactions with related parties are furnished in note no. 47 of financial statements, as stipulated under Accounting Standard (Ind AS) 24. Apart from related party transactions furnished in note no. 47, there are no transactions of material nature with Directors or their

relatives and others, which may have potential conflict with the Company's interest. The Register of Contracts required to be maintained under Section 189(1) and Rule 16(1) of the Act, containing the details of the contracts, in which the Directors are concerned or interested, is placed at the meeting of the Board of Directors for their approval and noting, on a periodical basis.

With the applicability of the Act and Listing Regulations, transactions attracting provisions of Section 188 which are in ordinary course of business and are at arm's

length have been entered into after being reviewed, scrutinised and approved by the Audit Committee and with approval of the Board, wherever necessary.

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

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

Stakeholders Relationship (Shareholders'/Investors' Grievance) Committee

Composition

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

Meetings and Attendance

During the year, four meetings of the Committee were held on 26 May 2021, 12 August 2021, 9 November 2021 and 10 February 2022. The following table summarises the attendance details of the Stakeholder Relationship (Shareholders'/Investors' Grievance) Committee members:

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

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

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

During the year, no complaints were received by the Company.

Share Transfer Committee

Composition

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

Meetings and Attendance

The Committee conducts monthly meetings for the approval of transmission of shares, if any, lodged with the Company. As on 31 March 2022, no such request was pending.

Scope of the Share Transfer Committee

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

Risk Management Committee

Composition

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

Meetings and Attendance

During the year, the Risk Management Committee met two times on 27 September 2021 and 8 March 2022. The following table summarises the attendance details of the Members of Risk Management Committee:

Name of Members	Status	No. of meetings held during the tenure	No. of meetings attended
Mr. Sandip Somany	Chairman	2	2
Mr. Salil Kumar Bhandari	Member	2	2
Mr. Rakesh Kaul	Member	2	2
Mr. Sandeep Sikka	Member	2	2

Scope of the Risk Management Committee

The Risk Management Committee has powers to seek information from any employee, obtain outside legal or other professional advice and secure

attendance of outsiders with relevant expertise, if it considers necessary.

Terms of reference

- To formulate a detailed risk management policy which shall include:
 - a. framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors;
- Monitoring and Reviewing the Risk Management Plan; and
- Such other function(s) as the Board of Directors may deem fit.

C. Other Meeting

Independent Directors Meeting

During the year under review, the Independent Directors met on 10 February 2022 inter-alia, to discuss:

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

All Independent Directors except Mr. Ashok Jaipuria were present at the meeting.

D. General Body Meetings

Annual General Meeting

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
2020-21	27 September 2021	12:00 noon	Through Video Conferencing/ Other Audio Visual Means
2019-20	3 September 2020	12:00 noon	Registered Office - 2, Red Cross Place, Kolkata - 700 001
2018-19	3 August 2019	11.00 a.m.	2, Red Cross Place, Kolkata-700 001

Two Special Resolutions were passed at the Annual General Meetings held during the last three financial years

Date of Annual General Meeting	No. of Special Resolution passed	Particulars
27 September 2021	1	Remuneration by way of Commission to the Directors (Other than Managing Director/Whole-time Director)
3 September 2020	1	Approval for appointment of Mr. Rakesh Kaul as Whole-time Director & Chief Executive Officer and remuneration payable thereof



Extra Ordinary General Meeting

During the financial year 2021-22, no Extra Ordinary General Meeting was held.

Postal Ballot

The Company conducted Postal Ballot, the results of which were declared on 30 April 2022. The following resolution was passed vide the above mentioned Postal Ballot:

S. No.	Special Resolution	Votes cast in favour		Votes cast against		Date of declaration of Results
		No. of votes	%	No. of votes	%	
1.	Approval for change of name of the Company from "Somany Home Innovation Limited" to "Hindware Home Innovation Limited" and consequent alteration in Memorandum and Articles of Association of the Company	451,82,079	99.999	474	0.001	30 April 2022

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

Procedure for Postal Ballot

In compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sections 108, 110 and other applicable provisions of the Act read with related rules, the Company engaged the services of Central Depository Services (India) Limited (CDSL) for the purpose of providing remote e-voting facility to all its Members. The Members were provided with the facility of remote e-voting.

This Notice was only sent through email to all the Members who had registered their email addresses with the Company or depository/ depository participants and the physical Notice (along with postal ballot forms) and pre-paid business envelope through post were not sent to the Members for the aforesaid postal ballot pursuant to the MCA General Circulars Nos. 14/2020 dated 8 April 2020, 17/2020 dated 13 April 2020, 22/2020 dated 15 June 2020, 33/2020 dated 28 September 2020, 39/2020 dated 31 December 2020, 02/2021 dated 13 January 2021, 10/2021 dated 23 June 2021 and 20/2021 dated 8 December 2021, in view of COVID-19 pandemic. The communication of assent/dissent of the Members took place through the remote e-voting system.

The Company also placed the Notice of the above mentioned postal ballot on its website and published the same in the newspapers declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and applicable rules.

Voting rights were reckoned on the paid-up value of the shares registered in the name of the Members as on the cut-off date. Members were requested to vote before the close of business hours on the last date of e-voting.

After completion of the scrutiny, the Scrutinizer submitted his report and the consolidated results of the votes cast through remote e-voting. Thereafter, Mr. Girdhari Lal Sultania, Authorised Representative

of the Company, (authorised by the Chairman of the Company) announced the results on 30 April 2022. The proposed resolution was passed with the requisite majority and the results of postal ballot were also displayed on the website of the Company i.e. www.hindwarehomes.com besides being communicated to the stock exchanges. The deemed date of passing the resolution was 29 April 2022.

E. Disclosures

Disclosure of Accounting Treatment

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

Risk Management

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

Disclosure of Commodity Price Risks and Hedging Activities

Please refer Note No. 45 of the Consolidated Financial Statements, which form part of the Annual Report.

Strictures/Penalties

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

Proceeds from public issues, right issues, preferential issues

During the financial year 2021-22, the Company did not raise capital through public, rights and/or preferential issue.

Management

The Management Discussion and Analysis Report forms a part of the Annual Report and is in accordance

with the requirements laid down in Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Vigil Mechanism (Whistle Blower) Policy

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

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

Performance Evaluation

Pursuant to the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually, Chairman as well as the evaluation of the working of its Nomination and Remuneration Committee. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Boards functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligation and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors and the Directors expressed their satisfaction with the evaluation process.

Code of Conduct for the Prevention of Insider Trading

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

The Code of Conduct for Prevention of Insider Trading, inter-alia, prohibits purchase/sale of Company's shares, while in possession of the Company's unpublished and price-sensitive information and accordingly necessary procedures have been laid down for the Designated

Persons and others as prescribed under the said Code for trading in the Company's securities.

Code of Practices and Procedures for Fair Disclosures is available on the Company's website www.hindwarehomes.com

Subsidiary Companies

The Company has Hindware Limited (Formerly known as Brillloca Limited) as its unlisted Indian subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year. The minutes of the Board meetings as well as statements of all significant transactions of the unlisted subsidiary companies are circulated with the agenda of the Board meeting to the Company's Board of Directors. The policy on Material Subsidiaries is available on the Company's website at the link <https://www.hindwarehomes.com/pdf/Policy%20on%20Material%20Subsidiaries.pdf>

Particulars of Director seeking re-appointment

Pursuant to provisions of the Companies Act, 2013, Mr. Rakesh Kaul shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The re-appointment of Mr. Rakesh Kaul as Whole-time Director & CEO of the Company for a further period of 3 years is also being recommended to the shareholders for their approval at the forthcoming 5th Annual General Meeting of the Company.

For detailed particulars on the Director seeking re-appointment, please refer to Notice of the ensuing Annual General Meeting scheduled to be held on 30 August 2022.

Training of Independent Directors

As per Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company provides suitable training to the Independent Directors to familiarise them with the Company, their roles, rights, responsibilities, nature of the industry in which the Company operates, business model of the Company and any other relevant information, if any. The details of such training imparted are disclosed in the Annual Report.

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

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

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

Adoption of mandatory and non - mandatory requirements of Listing Regulations

The Company has complied with all mandatory requirements of and adopted following non-mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Audit Qualification

The Company is in the regime of unqualified financial statements.

Reporting of Internal Auditor

The Internal Auditor directly reports to the Audit Committee.

Certificate from a Company Secretary in Practice

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

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

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

Details of total fees paid to Statutory Auditor

The details of total fees for all services paid by the Company and its subsidiaries for the FY 2021-22, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part, are as follows:

		(₹ in lakhs)
S. No.	Nature of Service	Amount
1.	Audit Fees	22.40
2.	Other Services	12.62
Total		35.02

*Payment for other services has been approved by the Audit Committee as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sexual Harassment of Women at Workplace

The disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and

Redressal) Act, 2013 are mentioned in the Directors' Report which forms part of this Annual Report.

F. Means of Communication

Results

The quarterly, half yearly and annual results are submitted to the Stock Exchange(s) in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the quarterly/half yearly/annual results in the prescribed format, are published within 48 hours in any prominent daily newspaper, such as The Financial Express, The English daily and Ekdin vernacular newspaper. All vital information of the Company's performance, including Financial Results, Annual Reports and Shareholding Pattern have been posted on the Company's website i.e. www.hindwarehomes.com.

News releases, presentations, among others

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

Presentation

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

Website

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

Annual Report

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

NSE Electronic Application Processing System (NEAPS)

The NEAPS is a web-based application designed by NSE for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, results and other requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, media releases, among others are filed electronically on NEAPS or other digital portal as mandated by NSE, by the Company.

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

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

SEBI Complaints Redress System (SCORES)

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

Designated Exclusive email-id

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

G. Shareholders Information**Company Registration Details**

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

Contact Information

Registered Office
2, Red Cross Place
Kolkata - 700 001, West Bengal, India
Phone: +91 - 33 -2248 7404
email: investors@shilgroup.com

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

Plant locations

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

Company Secretary

Ms. Payal M Puri

Annual General Meeting

The 5th Annual General Meeting is scheduled to be held on Tuesday, 30 August 2022 at 12:00 Noon.

Financial Calendar

The Company follows April to March as its financial year. The results for every quarter, beginning from

April, are declared within 45 days of the end of quarter, except for the last quarter, which are submitted, along with the annual audited results within 60 days of the end of the last quarter, as permitted under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Date of Book Closure

Tuesday, 23 August, 2022 to Tuesday, 30 August 2022 (both days inclusive).

Dividend Payment Date

The Board of Directors at their meeting held on 10 February, 2022 declared Interim Dividend @₹ 0.50 per equity shares of ₹ 2/- each for the year 2021-2022. The Board has recommended the said interim dividend as final dividend for the year ended 31 March, 2022 for shareholders' approval at the ensuing Annual General Meeting to be held on 30 August 2022

Listing on Stock Exchanges

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

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

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

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

Listing fees for the financial year 2022-23 have been paid to the Stock Exchanges.

Registrar and Share Transfer Agent

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

Maheshwari Datamatics Private Limited
23, R. N. Mukherjee Road, 5th Floor, Kolkata -700 001,
West Bengal, India

Phone: +91-33- 2243 5029/2248 2248

Fax: +91-33- 2248 4787

Email: mdpldc@yahoo.com



Share Transfer System

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

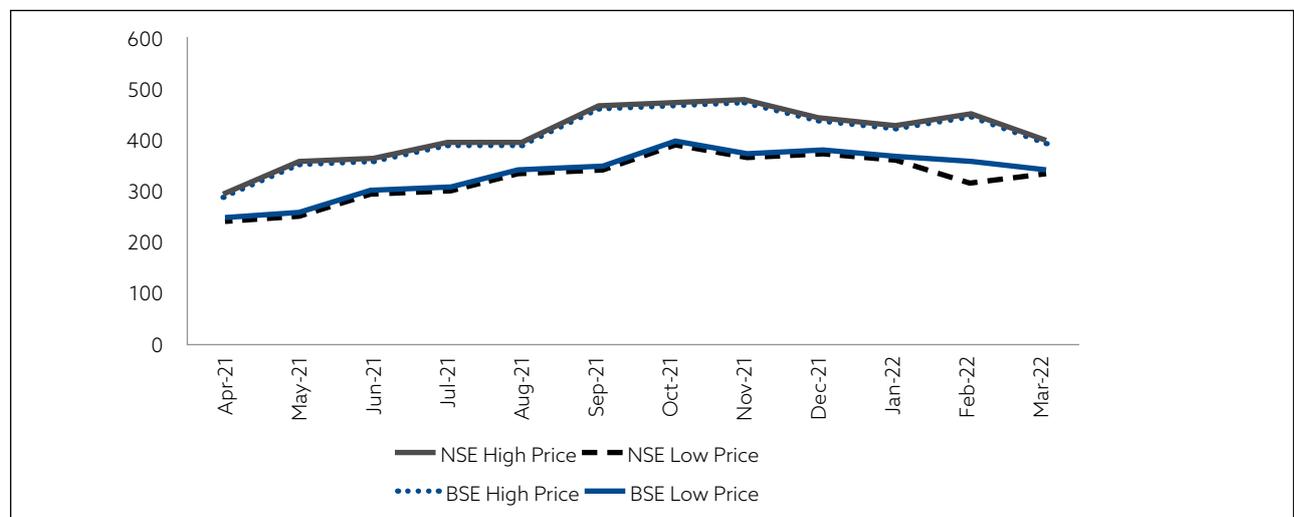
Market Price Data

Monthly stock market data of the Company's high-and-low prices of equity shares during FY 2021-22 and their performance, in comparison with the broad-based index, comprise:

Monthly Stock Market Data

Month	NSE High Price	NSE Low Price	BSE High Price	BSE Low Price
Apr-21	298.95	252.00	300.00	250.90
May-21	364.85	267.15	361.40	267.80
Jun-21	370.15	304.25	371.00	305.10
Jul-21	399.40	310.20	398.00	313.05
Aug-21	398.50	342.25	397.45	343.10
Sep-21	464.00	351.15	468.80	353.05
Oct-21	474.00	401.85	478.90	404.00
Nov-21	484.70	372.00	486.40	378.75
Dec-21	447.15	381.25	445.60	385.30
Jan-22	433.00	373.00	433.95	374.15
Feb-22	453.90	318.40	453.00	365.00
Mar-22	406.10	345.90	405.60	346.55

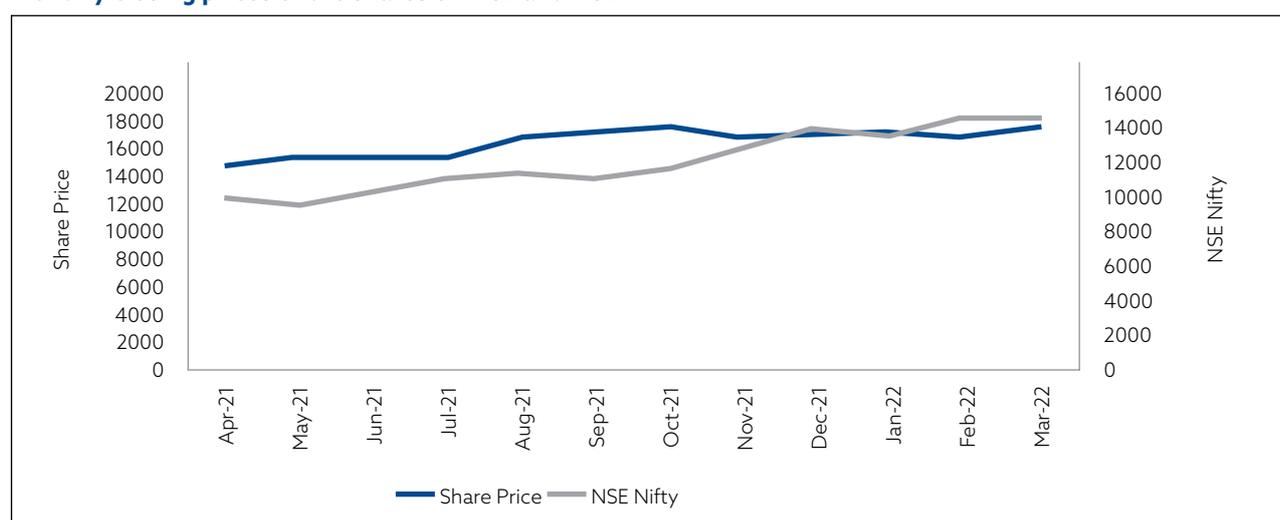
Monthly NSE and BSE prices of equity shares



Monthly closing price of Hindware Home Innovation Limited (Formerly known as Somany Home Innovation Limited) shares on NSE and NSE Nifty

Month	Share Price	NSE Nifty
Apr-21	284.50	14631.10
May-21	316.75	15582.80
Jun-21	321.20	15721.50
Jul-21	366.20	15763.05
Aug-21	374.50	17132.20
Sep-21	419.95	17618.15
Oct-21	453.55	17671.65
Nov-21	403.45	16983.20
Dec-21	422.80	17354.05
Jan-22	379.35	17339.85
Feb-22	401.95	16793.90
Mar-22	363.10	17464.75

Monthly closing prices of the shares on NSE and NSE NIFTY



Distribution of Shareholding as on 31 March 2022

Number of Shares held	Shareholders		Shares	
	Number	% of Total	Number	% of Total
Up to 500	29869	84.98	2566823	3.55
501-1,000	1911	5.44	1478687	2.05
1,001-2,000	1392	3.96	2075179	2.87
2,001-3,000	772	2.20	1948163	2.69
3,001-4,000	419	1.19	1461084	2.02
4,001-5,000	217	0.62	988180	1.37
5,001-10,000	319	0.91	2249234	3.11
10,001 and above	247	0.70	59529045	82.34
Total	35146	100.00	72296395	100.00

Category of Shareholders as on 31 March 2022

Category	No. of Shares of ₹ 2 each	% of Total
Promoter	37099787	51.32
Mutual Fund/UTI	230000	0.32
Alternative Investment Funds	3857056	5.33
Foreign Portfolio Investors/Foreign Institutional Investors	2392452	3.31
Financial Institutions/Banks	1687	0.00
Insurance Companies	129859	0.18
Foreign National	207	0.00
Domestic Companies/Bodies Corporate	4457609	6.17
Non-Resident Individual	2423585	3.35
Others	21704153	30.02
Total	72296395	100

Dematerialisation of Shares

Particulars of Shares	Shares of ₹ 2 each	
	Number	% of Total
Dematerialised Form		
National Securities Depository Ltd. (NSDL)	63205532	87.43
Central Depository Services (India) Ltd. (CDSL)	9077084	12.55
Physical Form	13779	0.02
Total	72296395	100.00

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

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

Details	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 01 April 2021	1203	652299
Shareholders who approached the Company for transfer of shares from suspense account during the year	19	11849
Shareholders to whom shares were transferred from the suspense account during the year	19	11849
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Companies Act, 2013	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 March 2022	1184	640450

The voting rights on the shares outstanding in the suspense account as on 31 March 2022 shall remain frozen till the rightful owner of such shares claims the shares.

Credit Ratings

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

Name of the Agency	Facilities	Amount (₹ in Crore)	Rating
Care Ratings Limited (CARE)	Long term Bank Facilities	186.75	CARE A+; Stable (Single A Plus; Outlook: Stable)
	Short Term Bank Facilities	110.00	CARE A1+ (A One Plus)

H. Code of Conduct

The Company's Board of Directors laid down and adopted a Code of Conduct under Corporate Governance for all the Directors and the Senior Management Personnel of your Company. The said Code of Conduct has also been posted on the Company's website i.e. www.hindwarehomes.com. The Board members and Senior Management Personnel have affirmed their compliance with the Code of Conduct for the FY 2021-22.

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

I. CEO and CFO Certification

The Certificate, as required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, duly signed by the Whole-time Director & Chief Executive Officer and Chief Financial Officer, was placed before the Board, and the same is enclosed to this report and forms part of the Annual Report.

J. Certification by Secretarial Auditors

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. DMK Associates, Company Secretaries, the Company's Secretarial Auditors, have verified the compliances of the Corporate Governance by the Company for the FY 2021-22. We have obtained a Certificate affirming the compliance from M/s. DMK Associates, Company Secretaries, and the same is enclosed to this Report and forms a part of the Annual Report.

Declaration by Chief Executive Officer (CEO) under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and the Senior Management Personnel have affirmed compliance with their respective Code of Conduct, as applicable to them, for the year ended 31 March 2022.

Place: Gurugram
Date: 25.07.2022

Rakesh Kaul
Whole-time Director & CEO



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members of
Hindware Home Innovation Limited
(Formerly known as Somany Home Innovation Limited)
CIN: L74999WB2017PLC222970
2, Red Cross Place, Kolkata 700001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Hindware Home Innovation Limited (Formerly known as Somany Home Innovation Limited) having CIN: L74999WB2017PLC222970** and having registered office at 2, Red Cross Place, Kolkata 700001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ended on 31 March 2022 have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of Directors	DIN	Date of appointment
1.	Mr. Sandip Somany	00053597	28/09/2017
2.	Mr. Salil Kumar Bhandari	00017566	14/09/2019
3.	Mr. Nand Gopal Khaitan	00020588	14/09/2019
4.	Mr. Ashok Jaipuria	00214707	14/09/2019
5.	Mr. Rakesh Kaul (WTD)	08560772	17/09/2019
6.	Ms. Anisha Motwani	06943493	11/02/2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DMK ASSOCIATES
COMPANY SECRETARIES

(MONIKA KOHLI)
FCS, I.P, LL.B, B. Com (H).
PARTNER
FCS 5480, C P 4936
Peer Review No. 779/2020
UDIN: F005480D000392812

Date: 26.05.2022
Place: New Delhi

CEO/CFO CERTIFICATION

To
The Board of Directors

We hereby certify that:

- a) We have reviewed financial statements and cash flow statement of Hindware Home Innovation Limited (Formerly known as Somany Home Innovation Limited) ('the Company') for the year ended 31 March 2022 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the above said period which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept the responsibility of establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i. significant changes in internal control over financial reporting during the above said period;
 - ii. significant changes in accounting policies during the above said period and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Rakesh Kaul
Whole-time Director & Chief Executive Officer

Naveen Malik
Chief Financial Officer

Place: Gurugram
Date: 26 May 2022



CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Hindware Home Innovation Limited
(Formerly known as Somany Home Innovation Limited)
CIN: L74999WB2017PLC222970
2, Red Cross Place, Kolkata 700001

1. We have examined the compliance of the conditions of Corporate Governance by **Hindware Home Innovation Limited (Formerly known as Somany Home Innovation Limited)** ("the Company") for the year ended 31 March 2022 as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the designing, implementing and operating effectiveness of internal control to ensure compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Our Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March 2022.
6. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DMK ASSOCIATES
COMPANY SECRETARIES

(MONIKA KOHLI)
FCS, I.P, LL.B, B. Com (H).
PARTNER
FCS 5480, C P 4936
Peer Review No. 779/2020
UDIN: F005480D000392867

Date: 26.05.2022
Place: New Delhi

Independent Auditor's Report

To the Members of Hindware Home Innovation Limited (formerly known as Somany Home Innovation Limited)

Report on the Audit of the Standalone financial statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended 31st March 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Description of Key Audit Matter	How our audit addressed the key audit matters
<p>1. Valuation Corporate Guarantee</p> <p>The company has given letter of continuing guarantee to banker against borrowing facilities extended to a Jointly control entity ₹ 2,782.73 Lacs (PY ₹ 49.82 Lacs). We have considered the valuation of corporate guarantee as key audit matter considering complexities and financial impact involved over financial statements.</p>	<p>Our audit procedures includes:</p> <p>Control testing:</p> <ul style="list-style-type: none"> We tested the design and operating effectiveness of key Controls. Controls over the validation, completeness, implementation and usage of valuation models. <p>Independent reperformance:</p> <ul style="list-style-type: none"> Our own valuation specialists independently evaluated the valuation model and reasonableness of key assumption.

Information Other than the Standalone financial statements and Auditor's Report Thereon

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

In Connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

knowledge obtained in the audit or otherwise appears to be materially misstated.

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

We have nothing to report in this regard.

Responsibility of Management and Those charged with Governance for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to



the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Standalone financial statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended 31st March 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of

a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 (as amended);
 - (e) On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our

information and according to the explanations given to us:

- i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note no. 44 to the standalone financial statements;
- ii) The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2022.
- iv) (i) The management has represented that to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, no funds (which are material either individually or in aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries



- (iii) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above as required by rule 11(e) of Companies (Audit and Auditors) Rules 2014, as amended, contains any material mis-statement.
- v) (i) The interim dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013 (Note No.18).
- (ii) The final dividend proposed in the previous financial year, declared and paid by the company during the year is in compliance with section 123 of the Companies Act, 2013. (Note No.18)
- (h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided for by the Company to its directors during the year in accordance with the provisions of Section 197 read with Schedule V to the Act.

For **LODHA & CO.**
Chartered Accountants
ICAI Firm Registration Number: 301051E

Shyamal Kumar
Partner
Membership Number: 509325
UDIN: 22509325AJQPST9563

Place: New Delhi
Date: 26th May 2022

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the standalone financial statements of Hindware Home Innovation Limited (formerly known as Somany Home Innovation Limited) for the year ended 31st March 2022)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (PPE), Capital Work-In-Progress (CWIP), and relevant details of Right-of-use-Assets (ROU).
- (B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) As per the physical verification program, Property, Plant and Equipment were physically verified during the year by the Management in the phased manner designed to cover all the items over a period of three years (accordingly during the year, certain items have been physically verified) which, in our opinion, provides for physical verification at reasonable having regard to the size of the company and the nature of its property plant and equipment. Based on information and records provided, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued any of its PPE (including ROU) & Intangible assets during the year.
- (e) According to the information and explanations given to us and records provided, no proceedings have been initiated during the year or are pending against the Company as at 31 March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) As per the physical verification program, the inventories of the Company (except stock lying with the third parties and in transit, for which confirmations have been received/material received) were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. Discrepancies noticed were not of 10% or more in the aggregate for each class of inventories on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us and as per the records verified, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns / statements filed by the Company with such banks or financial institutions are generally in agreement with the unaudited books of account of the Company of the respective quarters.
- (iii) The Company has made investments in a joint venture and provided guarantee to during the year, in respect of which details are given below:

	(₹ in lacs)	
	Investments	Guarantee
A. Aggregate amount granted / provided during the year:		
- Others- Joint Venture	2,766.39*	4,450.00
B. Balance outstanding (Carrying value) as at balance sheet date in respect of above cases:		
- Others Joint Venture	2,786.39	9,450.00

*including ₹ 766.59 Lacs given when it was a subsidiary company

- (a) The Company has provided guarantee to a entity during the year is , in our opinion, prima facie, not prejudicial to the Company's interest.
- (b) The investments made during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) The Company does not have any loans or advances in the nature of loans outstanding at the beginning as well as end of the year, hence reporting under clause (iii)(c), (iii)(d) & (iii)(e) are not applicable
- (d) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3 (iii)(f) is not applicable.
- (iv) According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the



opinion that in respect of loans granted, investments made and guarantees and securities provided, the Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013.

- (v) The Company has not accepted any deposits from the public or amounts which are deemed to be deposits within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and rules framed thereunder, hence, we do not offer any comment on the same.

According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148

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

Name of Statute	Nature of Due	Period	Amount (₹ in lakh)	Forum where matter is pending
Finance Act 1994	Service Tax	2013-14	37.57	The Hon'ble Supreme court of india
Maharashtra Vat Act	Maharashtra Vat	2012-13	38.54	Deputy Commissioner of Sales Tax (Appeal), Kalyan Mumbai
Maharashtra CSt	Maharashtra Vat	2012-13	125.49	Deputy Commissioner of Sales Tax (Appeal), Kalyan Mumbai
Haryana Vat Act	Haryana Vat	2016-17	266.24	Excise and Taxation Department, Haryana
Haryana Cst Act	Haryana Cst	2016-17	403.97	Excise and Taxation Department, Haryana
Haryana Cst Act	Haryana Cst	2017-18	9.83	Excise & taxation Officer- Cum assessing Authority Gurgaon (South)
Gujrat Vat Act	Gujrat Vat	2014-15	82.51	The Hon'ble Gujarat VAT Tribunal, Ahmedabad

- (viii) As per the information and explanations and records provided, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

- (ix) (a) As per the information and explanations and records provided, in our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) As per the information and explanations and records provided, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief and information and records provided, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

of the Act, in respect of Company's products and services. Accordingly, the provisions of clause (vi) of the Order are not applicable to the company.

- (vii) a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues with the appropriate authorities to the extent applicable. There were no undisputed statutory dues payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31st March 2022 for a period of more than six months from the date they become payable.

(d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company and based on the representations of the Company, we report that the Company has neither taken any funds from any entity or person during the year nor it has raised funds through issue of shares or borrowings on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3 (x)(a) of the Order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3 (x)(a) of the Order is not applicable.

- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x) (b) of the Order is not applicable to the Company.
- (xi) (a) Based on the audit procedures performed and on the basis of information and explanations provided by the management, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management and records provided, there were no whistle blower complaints received by the Company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations and records made available by the management of the Company and audit procedures performed, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and till date in determining the nature, timing and extent of our audit procedures.
- (xv) On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) As per the information and representations provided, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and hence reporting under clause 3 (xvi)(a), (b) and (c) of the Order is not applicable. As per the explanations provided and based on the information, the Group does not have any Core Investment Company (CIC) as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company and/ or certificate with respect to meeting financial obligations by the Company as and when they fall due. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.
- (xxi) The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **LODHA & CO.**

Chartered Accountants

ICAI Firm Registration Number: 301051E

Shyamal Kumar

Partner

Membership Number: 509325

Place: New Delhi

Date: 26th May 2022



Annexure "B" to the Independent Auditor's Report

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

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

Opinion

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit

opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **LODHA & CO.**
Chartered Accountants
ICAI Firm Registration Number: 301051E

Shyamal Kumar
Partner

Place: New Delhi
Date: 26th May 2022

Membership Number: 509325

Standalone Balance Sheet

as at 31 March 2022

(₹ in lakh)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	4a	2,423.92	2,570.86
(b) Right of use assets	4a	6,197.12	2,307.21
(c) Capital work-in-progress	4b	599.28	82.15
(d) Other intangible assets	5a	18.99	31.70
(e) Other intangible assets under development	5b	44.70	20.00
(f) Financial assets			
(i) Investments	6	2,946.67	187.28
(ii) Loans	7	98.36	91.12
(iii) Other financial assets	8	268.40	320.64
(g) Income-tax assets (net)	39 (d)	171.95	-
(h) Deferred tax assets (net)	23	2,263.31	2,380.63
(i) Other non-current assets	9	533.43	471.31
Total non-current assets		15,566.13	8,462.90
2 Current assets			
(a) Inventories	10	14,305.34	11,378.08
(b) Financial assets			
(i) Trade receivables	11	14,017.89	15,822.14
(ii) Cash and cash equivalents	12	260.49	195.60
(iii) Bank balances other than (ii) above	13	6.61	1.18
(iv) Loans	14	-	620.00
(v) Other financial assets	15	541.11	5,248.44
(c) Other current assets	16	5,965.98	2,795.63
Total current assets		35,097.42	36,061.07
Total assets		50,663.55	44,523.97
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	17	1,445.93	1,445.93
(b) Other equity	18	10,153.75	9,455.69
Total equity		11,599.68	10,901.62
2 Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	2,750.00	2,275.00
(ii) Lease liabilities	20	5,865.92	2,035.50
(iii) Other financial liabilities	21	268.54	205.32
(b) Provisions	22	176.92	173.68
(c) Other non-current liabilities	24	69.15	56.39
Total non-current liabilities		9,130.53	4,745.89
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	13,239.54	9,687.57
(ii) Lease liabilities	26	637.05	458.55
(iii) Trade payables	27		
- Due to micro and small enterprise		3,061.42	2,474.77
- Due to others		5,075.49	7,523.33
(iv) Other financial liabilities	28	5,866.44	6,246.30
(b) Other current liabilities	29	1,786.96	1,443.53
(c) Provisions	30	266.44	265.46
(d) Income tax liabilities (net)	39 (d)	-	776.95
Total current liabilities		29,933.34	28,876.46
Total liabilities		39,063.87	33,622.35
Total equity and liabilities		50,663.55	44,523.97

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

For and on behalf of the Board of Directors

For Lodha & CoChartered Accountants
Firm Registration No.:301051E**Shyamal Kumar**Partner
M. No. 509325
Place : New Delhi
Date : 26 May 2022**Rakesh Kaul**Whole Time Director and CEO
DIN: 08560772**Payal M. Puri**Company Secretary
ACS No.: 16068**Sandip Somany**Chairman
DIN: 00053597**Naveen Malik**

Chief Financial Officer

Place : Gurugram
Date : 26 May 2022



Standalone Statement of Profit and Loss

for the year ended 31 March 2022

(₹ in lakh)

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
I Revenue from operations	31	49,128.10	50,311.41
II Other income	32	3,494.76	449.33
III Total income		52,622.86	50,760.74
IV Expenses			
Purchases of stock-in-trade	33	34,389.97	32,154.77
Changes in inventories of stock-in-trade	34	(2,750.39)	618.20
Employee benefits expense	35	5,434.87	5,047.84
Finance costs	36	1,622.54	1,494.07
Depreciation and amortisation expense	37	1,411.00	1,538.11
Other expenses	38	10,787.96	9,775.92
Total expenses		50,895.95	50,628.91
V Profit before exceptional items and tax		1,726.91	131.83
VI Exceptional items		-	3,474.70
VII Profit before tax		1,726.91	3,606.53
VIII Tax expense	39		
(1) Current tax		344.81	805.42
(2) MAT credit entitlement		(344.81)	-
(3) Deferred tax		458.06	936.55
Total tax expense		458.06	1,741.97
IX Profit for the year		1,268.85	1,864.56
X Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plan		11.65	62.44
(ii) Income-tax relating to these items		(4.07)	(21.82)
Other comprehensive income, net of tax		7.58	40.62
XI Total comprehensive income for the year		1,276.43	1,905.18
XII Earnings per equity share (of ₹ 2/- each):			
Basic and diluted	42	1.76	2.58

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

For and on behalf of the Board of Directors

For Lodha & Co

Chartered Accountants
Firm Registration No.:301051E

Shyamal Kumar

Partner
M. No. 509325
Place : New Delhi
Date : 26 May 2022

Rakesh Kaul

Whole Time Director and CEO
DIN: 08560772

Payal M. Puri

Company Secretary
ACS No.: 16068

Sandip Somany

Chairman
DIN: 00053597

Naveen Malik

Chief Financial Officer

Place : Gurugram
Date : 26 May 2022

Standalone Statement of Cash Flows

for the year ended 31 March 2022

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31st March 2021
Cash flows from operating activities		
Profit before tax	1,726.91	3,606.53
Adjustments for:		
Finance costs	1,622.54	1,494.07
Dividend income	(2,450.00)	-
Profit on slump sale of water heater business	-	(3,474.70)
Interest income	(30.17)	(36.49)
Gain on disposal of property, plant and equipment	(0.64)	(3.52)
Loss on disposal of property, plant and equipment	0.42	37.39
Bad debts written off	7.70	
Impairment of investments	20.00	-
Sundry balances and liabilities no longer required, written back	(60.42)	(210.99)
Provision for expected credit loss	238.25	237.46
Provision for doubtful advances	-	12.83
Lease concession /liabilities written back	(131.08)	(133.72)
Depreciation and amortisation expenses	1,411.00	1,538.11
Net foreign exchange (gain)/loss	(17.90)	(128.56)
	2,336.61	2,938.41
Movements in working capital:		
(Increase)/decrease in trade and other receivables	975.25	(4,389.95)
(Increase)/decrease in inventories	(2,927.26)	618.20
(Increase)/decrease in other assets	(3,173.84)	(836.25)
Increase/(decrease) in trade and other liabilities	(1,758.40)	7,002.77
Increase/(decrease) in provisions	4.22	59.98
	6,880.03	2,454.75
Cash generated from / (used in) operations	(4,543.42)	5,393.16
Income taxes paid	(1,361.97)	(28.09)
Income tax refund	68.25	
Net cash generated from / (used in) operating activities	(5,837.14)	5,365.07
Cash flows from investing activities:		
Investment in Joint venture	(2,766.39)	-
Interest received	7.03	36.53
Loan to Related party	620.00	(620.00)
Amounts advanced to related parties	-	(6.79)
Dividend income	2,450.00	-
Receipt against slump sale	5,220.48	-
Payments for property, plant and equipment	(984.17)	(769.20)
Proceeds from disposal of property, plant and equipment	4.28	18.18
Movement in other bank balances	(5.43)	(1.18)
Net Cash generated from / (used in) investing activities	4,545.80	(1,342.46)



Standalone Statement of Cash Flows

for the year ended 31 March 2022

(₹ in lakh)

Particulars	Year ended 31 March 2022	Year ended 31st March 2021
Cash flows from financing activities:		
Repayment of borrowings	(150.00)	(75.00)
Loan from related party	700.00	1,000.00
Movement in short term borrowings (net)	3,476.97	(2,712.10)
Principal payment of lease liability	(483.56)	(469.34)
Interest on lease liability	(531.24)	(315.50)
Dividends paid	(572.94)	(107.26)
Interest paid	(1,083.00)	(1,187.90)
Net Cash generated from / (used in) financing activities	1,356.23	(3,867.10)
Net increase / (decrease) in cash and cash equivalents:	64.89	155.51
Cash and cash equivalents at the beginning of the year	195.60	40.09
Cash and cash equivalents at the end of the year	260.49	195.60

The movement in liabilities from financing activities:

Particulars	As at 31st March, 2021	Cashflows	Non-cashflow changes - Other		As at 31st March, 2022
			Foreign exchange	Other	
Long term borrowings	2,425.00	550.00	-	-	2,975.00
Short term borrowings	9,537.57	3,476.97	-	-	13,014.54
Total liabilities from financing activities	11,962.57	4,026.97	-	-	15,989.54

Particulars	As at 31st March, 2020	Cashflows	Non-cashflow changes - Other		As at 31st March, 2021
			Foreign exchange	Other	
Long term borrowings	1,500.00	925.00	-	-	2,425.00
Short term borrowings	12,249.67	(2,712.10)	-	-	9,537.57
Total liabilities from financing activities	13,749.67	(1,787.10)	-	-	11,962.57

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For Lodha & Co

Chartered Accountants
Firm Registration No.:301051E

Shyamal Kumar

Partner
M. No. 509325
Place : New Delhi
Date : 26 May 2022

Rakesh Kaul

Whole Time Director and CEO
DIN: 08560772

Payal M. Puri

Company Secretary
ACS No.: 16068

Sandip Somany

Chairman
DIN: 00053597

Naveen Malik

Chief Financial Officer

Place : Gurugram
Date : 26 May 2022

Standalone Statement of Changes in Equity

for the year ended 31st March 2022

a. Equity share capital

Particulars	Number of shares	(₹ in lakh)
		Amount
Issued and paid up capital		
Balance as at 1 April 2020	7,22,96,395	1,445.93
Changes in equity share capital during the year	-	-
Balance as at 31 March 2021	7,22,96,395	1,445.93
Changes in equity share capital during the year	-	-
Balance as at 31 March 2022	7,22,96,395	1,445.93

b. Other equity

Particulars	Reserves and surplus					(₹ in lakh)
	Securities Premium Account	Capital Reserve	General Reserve	Retained Earnings	Actuarial gain / (loss)	Total
Balance as at 1 April 2020	3,325.92	10.00	1,125.22	3,183.00	14.81	7,658.95
Profit for the year	-	-	-	1,864.56	-	1,864.56
Other comprehensive income for the year (net of tax)	-	-	-	-	40.62	40.62
Total comprehensive income for the year	-	-	-	1,864.56	40.62	1,905.18
Dividend paid	-	-	-	(108.44)	-	(108.44)
Balance as at 31 March 2021	3,325.92	10.00	1,125.22	4,939.12	55.43	9,455.69
Profit for the year	-	-	-	1,268.85	-	1,268.85
Other comprehensive income for the year (net of tax)	-	-	-	-	7.58	7.58
Total comprehensive income for the year	-	-	-	1,268.85	7.58	1,276.43
Dividend paid (refer note 57)	-	-	-	(578.37)	-	(578.37)
Balance as at 31 March 2022	3,325.92	10.00	1,125.22	5,629.60	63.01	10,153.75

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For Lodha & Co

Chartered Accountants
Firm Registration No.:301051E

Shyamal Kumar

Partner
M. No. 509325
Place : New Delhi
Date : 26 May 2022

Rakesh Kaul

Whole Time Director and CEO
DIN: 08560772

Payal M. Puri

Company Secretary
ACS No.: 16068

Sandip Somany

Chairman
DIN: 00053597

Naveen Malik

Chief Financial Officer

Place : Gurugram
Date : 26 May 2022

Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

1. Corporate information

Hindware Home Innovation Limited (the 'Company') (formerly Somany Home Innovation Limited) is a public limited company incorporated in India under the Companies Act 2013. The registered office of the Company is situated in Kolkata and the corporate office is in Gurugram. The Company is into the business of selling and trading of Consumer Appliances and Retail business. The equity shares of the Company is listed at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

These financial statements were approved and authorized for issue in accordance with the resolution of the Company's Board of Directors on 26th May 2022.

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

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

2.1 Recent accounting pronouncements

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

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

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

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

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

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

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

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

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

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

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

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

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. Accordingly, the standalone financial statements for the year ended 31 March 2022 are prepared complying applicable Ind AS.

3.2 Historical cost convention

These standalone financial statements have been prepared on a historical cost convention except where certain financial assets and liabilities have been measured at fair value.

3.3 Business combinations

Business combinations involving entities under common control are accounted for using the pooling of interest 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

Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

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 Revenue recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

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

Sale of products:

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

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

Rendering of services:

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

Interest and dividends

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

3.5 Leases

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

the right to control the use of an identified asset, the Company assesses whether:

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

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

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

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

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

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

3.6 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



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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.

3.7 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.

3.8 Employee benefits

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

Defined contribution plans

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

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using 'the Projected Unit Credit method', with actuarial valuations being carried out at each Balance Sheet date. Re-measurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are

not reclassified to the statement of profit and loss in subsequent periods. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

Short-term employee benefits

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

- (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.

3.9 Taxation

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

Current tax

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

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset

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only to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement".

The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. The MAT Credit Entitlement is disclosed under the head 'Deferred tax liabilities (net)'.

Deferred tax

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future opening results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

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

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

3.10 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.

3.11 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.

3.12 (a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment

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

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

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

(b) Intangible assets

Intangible Assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. All other expenditure is expensed as incurred. The same are amortised over the expected duration of benefits. Such intangible assets are measured at cost less any accumulated amortisation and impairment losses, if any and are amortised over their respective individual estimated useful life on straight line method. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate

(c) Capital work-in-progress

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

3.13 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.



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

Asset class	Useful life
Property, plant and equipment	
Plant and machinery	7.5 - 10 years*
Furniture and fixtures	2-10 years^
Office equipment	5 years
Computer	3-6 years
Vehicles	8 years**
Intangible assets	
Software	6 years

*Moulds are parts of consumer appliances business of the Company, included in plant and machinery, are depreciated over a life of 10 years, which is different from life prescribed in schedule II of the Act, based on independent chartered engineer certificate

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

^ Wooden pallets are parts of consumer appliances business of the Company, included in furniture and fixtures, are depreciated over a life of upto 5 years which is lesser than life prescribed in schedule II of the Act, depending on the actual use of the asset.

3.14 Impairment of property, plant and equipment and Intangible assets

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

3.15 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.

3.16 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.17 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises of all costs of purchase, 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.

3.18 Provisions and contingencies

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

3.19 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

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have been approved in a general meeting prior to the reporting date.

3.20 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.

3.21 Fair value measurement

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

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

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

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

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

3.22 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



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applied depends on whether there has been a significant increase in credit risk. Note 40 details how the Company determines whether there has been a significant increase in credit risk.

d. De-recognition of financial assets

A financial asset is derecognised when:

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

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

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

II. Financial liabilities

a. Initial recognition and subsequent measurement

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

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

III. Fair value of financial instruments

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

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.

3.23 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.

3.24 Significant accounting judgements, estimates and assumptions

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing

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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 40).

(vi) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.



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Note 4a - Property, plant and equipment

Description of assets	(₹ in lakh)									
	Leasehold improvements	Right to use - Building*	Plant and equipment	Office equipment	Furniture and fixtures	Computers	Vehicles	Total		
I. Gross block										
Balance as at 01 April 2020	650.41	6,446.61	2,441.46	301.53	1,259.73	336.04	170.59	11,606.37		
Additions	320.08	30.96	426.99	34.49	54.89	110.95	-	978.36		
Disposals/adjustment	(34.24)	(3,174.55)	(404.10)	(115.14)	(521.00)	(65.98)	(11.22)	(4,326.23)		
Balance as at 31 March 2021	936.25	3,303.02	2,464.35	220.88	793.62	381.01	159.37	8,258.50		
Additions	-	5,383.98	-	58.33	197.24	128.17	-	5,767.72		
Disposals/adjustment	-	(1,011.00)	-	-	-	(4.76)	(18.33)	(1,034.09)		
Balance as at 31 March 2022	936.25	7,676.00	2,464.35	279.21	990.86	504.42	141.04	12,992.13		
II. Accumulated depreciation and amortisation										
Balance as at 01 April 2020	362.82	1,342.70	488.23	241.28	1,000.60	242.67	56.67	3,734.97		
Depreciation and amortisation charge for the year	68.30	766.29	284.96	23.21	57.69	59.73	26.91	1,287.09		
Disposals/adjustment	(33.96)	(1,113.18)	(81.44)	(114.19)	(476.33)	(46.86)	(4.88)	(1,870.84)		
Impairment	183.37	-	-	5.94	39.90	-	-	229.21		
Balance as at 31 March 2021	580.53	995.81	691.75	156.24	621.86	255.54	78.70	3,380.43		
Depreciation and amortisation charge for the year	54.93	871.68	276.81	29.90	66.11	78.61	20.25	1,398.29		
Disposals/adjustment	-	(388.61)	-	-	-	(4.64)	(14.38)	(407.63)		
Balance as at 31 March 2022	635.46	1,478.88	968.56	186.14	687.97	329.51	84.57	4,371.09		
Net block (I-II)										
Balance as at 31 March 2022	300.79	6,197.12	1,495.79	93.07	302.89	174.91	56.47	8,621.04		
Balance as at 31 March 2021	355.72	2,307.21	1,772.60	64.64	171.76	125.47	80.67	4,878.07		

Refer note 19 for detail of property, plant and equipment hypothecated as security by the company.

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Note 4b - Capital work-in-progress

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Capital work in progress	599.28	82.15
	599.28	82.15

Details and Ageing of CWIP

As at 31st March 2022

Particulars	Amount for a period of				Total
	less than year	1 to 2 years	2 to 3 years	more than 3 years	
Project in progress	547.00	49.92	2.36	-	599.28

As at 31st March 2021

Particulars	Amount for a period of				Total
	less than year	1 to 2 years	2 to 3 years	more than 3 years	
Project in progress	72.79	9.36	-	-	82.15

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

Note 5a- Other intangible assets

Description of assets	(₹ in lakh)	
	Computer software	Total
I. Gross block		
Balance as at 01 April 2020	215.08	215.08
Additions	-	-
Disposals/adjustment	110.32	110.32
Balance as at 31 March 2021	325.40	325.40
Additions	-	-
Disposals/adjustment	-	-
Balance as at 31 March 2022	325.40	325.40
II. Accumulated amortisation		
Balance as at 01 April 2020	177.27	177.27
Amortisation charge for the year	21.81	21.81
Disposals/adjustment	94.62	94.62
Balance as at 31 March 2021	293.70	293.70
Amortisation charge for the year	12.71	12.71
Disposals/adjustment	-	-
Balance as at 31 March 2022	306.41	306.41
Net block (I-II)		
Balance as at 31 March 2022	18.99	18.99
Balance as at 31 March 2021	31.70	31.70



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Note 5b - Other intangibles under development

(₹ in lakh)

Particulars	As at	As at
	31 March 2022	31 March 2021
Other intangible assets under development	44.70	20.00
	44.70	20.00

Details and Ageing of other intangibles under development

As at 31st March 2022

(₹ in lakh)

Particulars	Amount for a period of				Total
	less than year	1 to 2 years	2 to 3 years	more than 3 years	
Project in progress	24.70	20.00	-	-	44.70

As at 31st March 2021

(₹ in lakh)

Particulars	Amount for a period of				Total
	less than year	1 to 2 years	2 to 3 years	more than 3 years	
Project in progress	20.00	-	-	-	20.00

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

Note 6 - Non-current financial assets- Investments

(₹ in lakh)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
Unquoted investments (fully paid-up) (at cost)				
Hindware Home Retail Private Limited (face value ₹ 10 each)	6,40,000	8.72	6,40,000	8.72
Luxxis Heating Solution Pvt. Ltd. (face value ₹ 10 each)*	2,00,000	20.00	2,00,000	20.00
Less: Provision for diminution of investment		(20.00)		-
Hindware Limited (formerly Brillocca Limited) (face value ₹ 2 each)	2,45,00,000	10.00	2,45,00,000	10.00
Hintastica Private Limited (face value ₹ 10 each)**	2,91,300	2,786.39	2,00,000	20.00
Deemed equity contribution#		13.00		-
Equity component in debt instruments of subsidiaries				
Hindware Home Retail Private Limited		128.56		128.56
Unquoted investments		2,946.67		187.28
Total investments carried at cost		2,946.67		187.28

*refer note 38

**Pursuant to the execution of Share Subscription and Shareholders Agreement (and other agreements) between Hintastica Private Limited (HPL), the Company and Atlantic Societe Francaise De Development Thermique, France ("Groupe ,Atlantic"); the Company and Groupe Atlantic, during the year infused equity of ₹766.59 lakh and ₹6,826.59 lakh by subscribing to 25,300 nos. and 2,25,300 nos. of equity shares of ₹10 each respectively of HPL at agreed valuation of ₹ 3,030 per share (including share premium of ₹ 3,020 per share). Post allotment of aforesaid equity shares, HPL became 50:50 joint venture ("JV") between the Company and Groupe, Atlantic w.e.f. 20th May 2021. Further, the company subscribed 66,000 equity shares (right issue) of Hintastica Private Limited (JV) (towards its 50 percent share of subscription of the equity share) at ₹ 3,030 per share (including share premium of ₹ 3,020 per share) of face value of ₹ 10 each, amounting to ₹ 1,999.8 lakhs.

#Fair value of letter of guarantee given for Hintastica Private Limited (refer note 28).

Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

Particulars	As at 31 March 2022	As at 31 March 2021
Other disclosures		
Aggregate amount of unquoted investments	2,946.67	187.28
Aggregate amount of diminution of investments	20.00	-

Note 7 - Non-current financial assets - Loans

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
(unsecured and considered good unless otherwise specified, as considered by the management)		
Loans to related parties (refer note 47)	98.36	91.12
	98.36	91.12

Note 8 - Non-current financial assets - Other financial assets

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
(unsecured and considered good unless otherwise specified, as considered by the management)		
Security deposits *	268.40	320.64
	268.40	320.64

* Including of AGI Greenpac Limited of ₹ 12.07 Lakh (previous year ₹ 12.07 Lakh)

Note 9 - Other non-current assets

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
(unsecured and considered good, unless stated otherwise, as considered by the management)		
Capital advances	247.21	188.60
Balances with government authorities *	286.22	282.71
	533.43	471.31

* including amount paid/deposited against legal cases.

Note 10 - Inventories

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
(At cost or net realisable value, whichever is lower)		
Stock-in-trade	14,128.47	11,378.08
Packing material	176.87	-
	14,305.34	11,378.08
Included above, goods-in-transit:		
Stock-in-trade	345.50	-
	345.50	-

Refer note 25 for information on inventory hypothecated as security by the Company.



Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

Note 11 - Trade receivables

(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Trade Receivables considered good - Secured	207.47	160.47
(ii) Trade Receivables considered good - Unseured*	13,810.42	15,661.67
(iii) Trade Receivables with significant increase in credit risk	-	-
(iv) Trade Receivables with credit impaired	781.70	543.45
	14,799.59	16,365.59
Less: Provision for impairment/Expected credit loss	781.70	543.45
	14,017.89	15,822.14

*including of Hintastica Privated Limited ₹ 242.59 lakh (previous year ₹ 265.96 lakh) and Hindware Home Retail Private Limited ₹ 287.15 lakh (previous year ₹ 138.11 lakh)

As at 31 March 2022

Particulars	Outstanding for following period from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	4,635.15	6,610.17	1,065.56	1,048.72	159.42	-	13,519.02
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	122.79	72.22	157.08	352.09
(iv) Disputed Trade Receivables- considered good	-	4.09	0.18	291.76	202.84	-	498.87
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	32.42	67.61	329.58	429.61
Total	4,635.15	6,614.26	1,065.74	1,495.69	502.09	486.66	14,799.59
Total Provision (iii+vi)	-	-	-	155.21	139.83	486.66	781.70

As at 31 March 2021

Particulars	Outstanding for following period from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	5,297.68	8,379.97	1,088.56	658.78	37.76	-	15,462.75
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	8.34	106.64	26.83	130.40	272.21
(iv) Disputed Trade Receivables- considered good	-	0.12	3.31	220.15	135.81	-	359.39
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	24.46	45.27	201.51	271.24
Total	5,297.68	8,380.09	1,100.21	1,010.03	245.67	331.91	16,365.59
Total Provision (iii+vi)	-	-	8.34	131.10	72.10	331.91	543.45

Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

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

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Opening balance	543.45	305.99
Expected credit losses provided for during the year (refer note 38)	238.25	237.46
	781.70	543.45

Trade receivables are hypothecated against the borrowings obtained by the Company as referred in note 25

Note 12 - Cash and cash equivalents

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Balances with banks	162.82	193.43
Cheques, drafts on hand	20.14	0.34
Cash on hand	6.32	1.83
Remittance in transit	71.21	-
	260.49	195.60

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

Note 13 - Bank balances other than cash and cash equivalents

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Earmarked balances with banks		
Unpaid dividends accounts *	6.61	1.18
	6.61	1.18

* Not due for deposit in investor education and protection fund

Note 14 - Current financial assets - Loans

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
(unsecured and considered good unless otherwise specified, as considered by the management)		
Loan to related party (refer note 47)	-	620.00
	-	620.00

Note 15 - Current financial assets - Other financial assets

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
(unsecured and considered good unless otherwise specified, as considered by the management)		
Other financial assets		
Other receivable *	533.48	5,248.44
Security deposits	7.63	-
	541.11	5,248.44

* Includes receivable from Hintastica Private Limited ₹ 517.86 lakhs (previous year ₹ 5,248.44 lakhs)



Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

Note 16 - Other current assets

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
(unsecured and considered good by the management)		
Prepaid expenses	80.94	30.63
Balances with government authorities	1,526.45	1,717.07
Others		
- Advance to suppliers	4,002.46	999.30
Considered doubtful	29.97	29.97
less : Provision against doubtful advances	(29.97)	(29.97)
- Employee advances	10.94	12.50
- Other current assets*	345.19	36.13
Considered doubtful	1.08	1.08
Less : Provision for doubtful advances	(1.08)	(1.08)
	5,965.98	2,795.63

*includes receivable from Hintastica Private Limited ₹ 42.52 lakh (previous year nil)

Note 17 - Equity share capital

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	(₹ in lakh)	No. of shares	(₹ in lakh)
Authorised:				
Equity shares of ₹ 2 each	7,50,00,000	1,500.00	7,50,00,000	1,500.00
Issued:				
Equity shares of ₹ 2 each	7,22,96,395	1,445.93	7,22,96,395	1,445.93
Subscribed and fully paid:				
Equity shares of ₹ 2 each	7,22,96,395	1,445.93	7,22,96,395	1,445.93
	7,22,96,395	1,445.93	7,22,96,395	1,445.93

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	(₹ in lakh)	Number	(₹ in lakh)
Equity shares outstanding at the beginning of the year	7,22,96,395	1,445.93	7,22,96,395	1,445.93
Add: Issue of shares during the year	-	-	-	-
Equity shares outstanding at the end of the year	7,22,96,395	1,445.93	7,22,96,395	1,445.93

(b) Statement of changes in promoters stake

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

S. No	Promoter name	As at 31 March 2022		As at 31 March 2021		%Change during the year
		No. of shares	% of holding	No. of shares	% of holding	
1	Rajendra Kumar Somany	36,45,000	5.04%	35,95,000	4.97%	1.39%
2	Sandip Somany	23,94,731	3.31%	23,94,731	3.31%	-
3	Sumita Somany	1,61,000	0.22%	1,61,000	0.22%	-
4	Divya Somany	1,46,912	0.20%	1,46,912	0.20%	-
5	Sandip Somany Huf	95,832	0.13%	95,832	0.13%	-
6	Shashvat Somany	76,244	0.11%	76,244	0.11%	-
7	Somany Impresa Limited	3,05,79,968	42.30%	3,04,79,968	42.16%	0.33%
8	Matterhorn Trust	100	0.00%	100	0.00%	-
	Total	3,70,99,787	51.32%	3,69,49,787	51.11%	

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

Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

(c) Terms and rights attached to equity shares

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

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	% of holding	Number	% of holding
Somany Impresa Limited	3,05,79,968	42.30%	3,04,79,968	42.16%
Rajendra Kumar Somany	36,45,000	5.04%	35,95,000	4.97%

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

- (e) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus shares and bought back during the last 5 years.
- (f) Pursuant to the Scheme of arrangement the Company had issued 7,22,96,395 Equity Shares to the Shareholders of AGI Greenpac Limited (formerly HSIL Limited). On 23rd August 2019 (Allotment date) Hindware Home Innovation Limited (formerly Somany Home innovation Limited) had issued one equity share for every equity share held of AGI Greenpac Limited on the date of 20th August 2019 (Record date) for consideration other than cash.

Note 18 - Other equity

	Reserves and surplus					(₹ in lakh)
	Securities premium account	Capital reserve	General reserve	Retained earnings	Actuarial gain / (loss)	Total
Balance as at 01 April 2020	3,325.92	10.00	1,125.22	3,183.00	14.81	7,658.95
Profit for the year	-	-	-	1,864.56	-	1,864.56
Other comprehensive income for the year (net of tax)	-	-	-	-	40.62	40.62
Total comprehensive income for the year	-	-	-	1,864.56	40.62	1,905.18
Dividend paid	-	-	-	(108.44)	-	(108.44)
Balance as at 31 March 2021	3,325.92	10.00	1,125.22	4,939.12	55.43	9,455.69
Profit for the year	-	-	-	1,268.85	-	1,268.85
Other comprehensive income for the year (net of tax)	-	-	-	-	7.58	7.58
Total comprehensive income for the year	-	-	-	1,268.85	7.58	1,276.43
Dividend paid (refer note 57)	-	-	-	(578.37)	-	(578.37)
Balance as at 31 March 2022	3,325.92	10.00	1,125.22	5,629.60	63.01	10,153.75

Nature and purpose of other reserves:

- Capital reserve is created on cancellation of equity shares consequent to the Scheme of Arrangement approved by the National Company Law Tribunal
- Securities premium account is used to record the premium on issue of shares. The same is utilised in accordance with the provisions of the Act.
- General reserves was created by transferring certain amount out of profits at the time of distribution of dividend in the past.



Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

Note 19 - Non current financial liabilities - Borrowings

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Measured at amortised cost		
Secured:		
Term loan from bank:		
Rupee loan	1,275.00	1,425.00
Unsecured:		
Inter corporate loan from related party (refer note 47)	1,700.00	1,000.00
	2,975.00	2,425.00
Less: Current maturities of long term borrowings (refer note 25)	225.00	150.00
	2,750.00	2,275.00

Note:

- Rupee Loan of ₹ 1,275 lakh (previous year ₹ 1,425 lakh) is secured by First Pari Passu charge on Movable Fixed Assets (PPE) of the company, repayable in 10 half yearly instalments from June 2022 to December 2026 carrying interest rate @ MCLR + 8 bps
- Inter Corporate Loan of ₹ 1,700 lakh (previous year ₹ 1,000 lakh) has been received from Hindware Limited (wholly owned subsidiary), repayable after three years from the date of first disbursement carrying interest rate @ 9.00% p.a.

Note 20 - Non-current financial liabilities-Lease liabilities

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Lease liability (refer note 49)	5,865.92	2,035.50
	5,865.92	2,035.50

Note 21 - Non-current financial liabilities - Other financial liabilities

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Trade deposits	268.54	205.32
	268.54	205.32

Note 22 - Non-current liabilities - Provisions

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Long-term employee benefits		
Provision for compensated absences (refer note 41)	155.19	155.70
Provision for long service award	21.73	17.98
	176.92	173.68

Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

Note 23 - Deferred tax Assets (net)

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Deferred tax asset arising on account of		
Deferred tax on business losses	1,109.59	1,770.69
Difference between book balance and tax balance of property, plant and equipment	465.05	359.23
Provision for doubtful debts and loans and advances	284.00	200.75
Provision for employee benefits	52.74	34.76
MAT credit entitlement	344.81	-
Others	7.12	15.20
	2,263.31	2,380.63
Deferred tax liabilities	-	-
Deferred tax assets (net)	2,263.31	2,380.63

Deferred tax assets (net) in relation to:

Particulars	(₹ in lakh)			
	As at 1 April 2021	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2022
Deferred tax asset arising on account of				
Deferred tax on business losses	1,770.69	(661.10)	-	1,109.59
Difference between book balance and tax balance of property, plant and equipment	359.23	105.82	-	465.05
Provision for doubtful debts and loans and advances	200.75	83.25	-	284.00
Provision for employee benefits	34.76	22.05	(4.07)	52.74
MAT credit entitlement	-	344.81	-	344.81
Others	15.20	(8.08)	-	7.12
Sub total	2,380.63	(113.25)	(4.07)	2,263.31
Net deferred tax assets	2,380.63	(113.25)	(4.07)	2,263.31

Deferred tax assets (net) in relation to:

Particulars	(₹ in lakh)			
	As at 1 April 2020	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2021
Deferred tax asset arising on account of				
Deferred tax on business losses	2,037.64	(266.95)	-	1,770.69
Difference between book balance and tax balance of property, plant and equipment	1,133.74	(774.51)	-	359.23
Provision for doubtful debts and loans and advances	112.91	87.84	-	200.75
Provision for employee benefits	54.71	1.87	(21.82)	34.76
Others	-	15.20	-	15.20
Sub total	3,339.00	(936.55)	(21.82)	2,380.63
Net deferred tax assets	3,339.00	(936.55)	(21.82)	2,380.63



Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

Note 24 - Other non-current liabilities

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Employee related payables	69.15	56.39
	69.15	56.39

Note 25 - Current financial liabilities - Borrowings

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Secured borrowings		
From banks		
Cash credit - loans repayable on demand	2,114.54	587.57
Working capital demand loan	10,900.00	8,950.00
	13,014.54	9,537.57
Current maturities of long-term borrowings (refer note 19)	225.00	150.00
	225.00	150.00
	13,239.54	9,687.57

Short term loan facilities :

- Working Capital and Cash credit facilities are secured by hypothecation of Inventories, finished / semi-finished goods / receivables of the Company. The Working Capital facilities and cash credit facilities are repayable on demand.
- The company has been sanctioned a working capital limit in excess of ₹ 5 crore, in aggregate, at points of time during the year, from bank on the basis of security of current assets. The quarterly returns/ statements filed by the company with the bank, are generally in agreement with the unaudited books of accounts of the company of the respective quarters, and differences if any are not material and are not having any impact over actual withdrawal utilization of working capital limits.
- The interest rate for the above short term borrowings varies from REPO + 1% to MCLR + 3.45% p.a.

Note 26 - Current financial liabilities- Lease liabilities

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Lease liability (refer note 49)	637.05	458.55
	637.05	458.55

Note 27 - Current financial liabilities - Trade payables

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
-Dues of micro and small enterprises	3,061.42	2,474.77
-Dues of other than micro and small enterprises*	5,075.49	7,523.33
	8,136.91	9,998.10

* Including of AGI Greenpac Limited of ₹ 112.23 lakh (previous year ₹ 1,306.05 lakh), Hindware Limited of nil (previous year ₹ 1.71 Lakh) and Hindware Home Retail Private Limited ₹ 25.96 lakh (previous year nil)

Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

As at 31 March 2022

(₹ in lakh)

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
i MSME	590.19	1,109.90	1,339.28	15.16	3.05	3.84	3,061.42
ii Others	3,086.18	417.69	1,347.71	162.54	12.78	48.59	5,075.49
Total							8,136.91

As at 31 March 2021

(₹ in lakh)

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
i MSME	-	1,140.42	1,306.47	17.18	10.70	-	2,474.77
ii Others	1,038.26	2,156.26	2,960.06	1,337.14	23.18	8.43	7,523.33
Total							9,998.10

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:

(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Principal amount overdue and remaining unpaid to any supplier	1,938.48	1,023.05
Interest due thereon remaining unpaid to any supplier	45.24	16.03
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	93.44	148.77
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	267.76	211.4
Interest accrued and remaining unpaid	446.99	227.43

Note 28 - Current financial liabilities - Other financial liabilities

(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings	32.31	24.01
Unclaimed dividend [^]	6.61	1.18
Security deposits/Retention money	16.09	52.61
Others		
Employee related payables	713.68	730.05
Towards expenses payable *	5,024.76	5,408.55
Financial obligation towards letter of guarantee (Refer note 6)	13.00	-
Commission payable to directors	21.30	5.16
Gratuity payable (net of obligation)	38.69	24.74
	5,866.44	6,246.30

[^] Not due for deposit in Investors Education and Protection Fund

* Including of AGI Greenpac Limited of ₹ 85.22 lakh (previous year ₹ 661.07 lakh) and Hindware Limited of ₹ 114.70 lakh (previous year ₹ 983.25 lakh)



Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

Note 29 - Other current liabilities

(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Advances received from customers	259.83	203.12
Payable towards statutory dues	1,456.22	1,163.60
Other payable	70.91	76.81
	1,786.96	1,443.53

Note 30 - Current liabilities - Provisions

(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Long-term employee benefits		
Provision for compensated absences	7.36	6.25
Provision for Long service award	1.17	1.30
Provision for warranty	257.91	257.91
	266.44	265.46
Movement in the warranty provisions		
Balance as at the beginning of year	257.91	204.41
Additional provisions recognised (included in Other expenses)	-	53.50
Utilised during the year	-	-
Balance as at the end of year	257.91	257.91

Warranty claims:

The provision for warranty claims represent the present value of best estimate of the future outflow of economic benefits that will be required under the Company obligations for warranties under the local sale of goods. The estimate has been made based on historical warranty trends and may vary as a result of new materials, services or other events. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on warranty period of certain products up to 2 years.

Note 31 - Revenue from Operations

(₹ in lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
i) Revenue from operations		
Sale of goods	48,728.58	49,637.43
Revenue from rendering of services	155.85	174.76
Other operating revenue @	243.67	499.22
	49,128.10	50,311.41
Segment wise revenue information		
a) Consumer appliances	43,066.57	45,243.06
b) Retail business	6,061.53	5,063.69
c) Others	-	4.66
Total	49,128.10	50,311.41
Total income from operations	49,128.10	50,311.41

Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
ii) Unsatisfied Performance Obligation		
Aggregated amount of Transaction Price allocated to the contracts that are fully or partially unsatisfied at the end of the reporting period		
Sale of goods	259.83	203.12
iii) Reconciliation of contract price vis a vis revenue recognised in profit and loss statement is as follows:-		
Contract Price		
a) Sale of goods	55,244.41	55,727.54
b) Revenue from rendering of services	155.85	174.76
c) Other operating revenue	243.67	499.22
Adjustment:-		
Discount/Rebate	6,515.83	6,090.11
Revenue recognised in the statement of profit and loss account	49,128.10	50,311.41
@ Other operating revenues comprise of:		
Sundry balances and liabilities no longer required, written back	60.42	210.99
Gain on foreign exchange fluctuations	17.90	128.56
Insurance claims received	165.35	159.67
	243.67	499.22

Note 32 - Other income

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income on financial assets	30.17	36.49
Profit on sale of property, plant and equipment	0.64	3.52
Dividend income	2,450.00	-
Miscellaneous income	1,013.95	409.32
	3,494.76	449.33

Note 33 - Purchases of stock-in-trade

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumer appliances, home furnishing and others	34,389.97	32,154.77
	34,389.97	32,154.77

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

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories at the end of the year:		
Stock-in-trade	14,128.47	11,378.08
	14,128.47	11,378.08
Inventories at the beginning of the year:		
Stock-in-trade	11,378.08	13,418.69
Inventory transferred on account of slump sale	-	(1,422.41)
	11,378.08	11,996.28
Changes in inventories of stock-in-trade	(2,750.39)	618.20



Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

Note 35 - Employee benefits expense

(₹ in lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	4,853.34	4,531.07
Contribution to provident funds and other funds	239.98	237.30
Staff welfare expenses	341.55	279.47
	5,434.87	5,047.84

Note 36 - Finance costs

(₹ in lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense on financial liabilities	1,077.34	1,108.80
Interest on lease liability (refer note 49)	531.24	315.50
Other interest expense	13.96	69.77
	1,622.54	1,494.07

Note 37 - Depreciation and amortisation

(₹ in lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation and amortisation of Property, plant and equipments (refer note 4a)	526.61	750.01
Amortisation of other intangible assets (refer note 5a)	12.71	21.81
Depreciation on right to use - Building (refer note 4a)	871.68	766.29
	1,411.00	1,538.11

Note 38 - Other expenses

(₹ in lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Power and fuel	58.87	71.74
Consumption of packing material	174.06	105.86
Repairs and maintenance:		
Others	68.26	50.03
Rent (including hire charges)	229.84	332.86
Rates and taxes	13.32	9.93
Directors sitting fees	14.60	11.15
Insurance	134.55	87.58
Travelling and conveyance	479.60	415.40
Advertisement and publicity	3,189.82	2,839.88
Transportation and forwarding	3,052.10	2,989.89
Sales promotion expenses	228.32	292.27
Other selling expenses	1,137.52	963.68
Provision for expected credit loss (refer note 11)	238.25	237.46
Provision for doubtful advances/debts	-	12.83
Bad debts written off	7.70	-
Loss on sale of property, plant and equipment	0.42	37.39

Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Provision for diminution of Investments (Refer note 6)	20.00	-
Management Fees	415.66	409.32
Miscellaneous expenses	1,325.07	908.65
	10,787.96	9,775.92

Note 39 - Current tax and deferred tax

(a) Income tax expense through profit and loss

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax:		
Current income tax charge (including Minimum alternate tax)	344.81	805.42
Less: MAT credit entitlement	(344.81)	-
	-	805.42
Deferred tax:		
In respect of current year origination and reversal of temporary differences	458.06	936.55
Total tax expense recognised in profit and loss account	458.06	1,741.97

(b) Income tax on other comprehensive income

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred Tax		
Re-measurement of defined benefit obligations	(4.07)	(21.82)
	(4.07)	(21.82)

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

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Company at 34.944 % (31 March 2021: 34.944%) and the reported tax expense in the statement of profit and loss are as follows:

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	1,726.91	3,606.53
Domestic tax rate for the Company	34.944%	34.944%
Latest statutory enacted income tax for the Company	603.46	1,260.26
Tax effect of :		
- Non deductible expenses	116.53	100.83
- Goodwill impact	-	866.22
- Rate difference for regular tax and capital gain tax	-	(402.71)
- Deduction u/s 80 M	(202.11)	-
Others	(59.82)	(82.63)
Income-tax recognised in statement of profit and loss	458.06	1,741.97



Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

(d) Income tax assets / (liabilities) (net)

(₹ in lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Income tax assets / (liabilities) (net)	171.95	(776.95)
	171.95	(776.95)

(e) There is no change in statutory enacted income-tax rate during the financial year.

(f) There is no temporary differences associated with investment in subsidiaries.

Note 40 - Financial instruments and risk review

Capital management

The Company manages its capital to be able to continue as a going concern while maximising the returns to shareholders through optimisation of the debt and equity balance. The capital structure consists of debt which includes the borrowings as disclosed in note 19 & 25 and net off 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 Audit Committee and the Board of Directors.

The following table summarises the capital of the Company

(₹ in lakh)

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Equity		11,599.68	10,901.62
Liquid assets (cash and cash equivalent and current investments) (a)		260.49	195.60
Current borrowings	25	13,014.54	9,537.57
Non-current borrowings	19	2,750.00	2,275.00
Current maturities of non current borrowings	25	225.00	150.00
Total debt (b)		15,989.54	11,962.57
Net debt [c = (b) - (a)]		15,729.05	11,766.97
Total capital (equity+net debt)		27,328.73	22,668.59
Gearing ratio			
Debt to equity		138%	110%
Net debt to equity ratio		136%	108%

Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

Categories of financial instruments

Categories of financial assets/(liabilities)

(₹ in lakh)

Particulars	Notes	As at 31 March 2022			As at 31 March 2021		
		Carrying value	Gain/ (loss) to income	Gain/ (loss) to equity	Carrying value	Gain/(loss) to income	Gain/(loss) to equity
Financial assets measured at amortised costs							
Trade receivable	11	14,017.89	-	-	15,822.14	-	-
Loans	7, 14	98.36	-	-	711.12	-	-
Other financial assets	8, 15	809.51	-	-	5,569.08	-	-
Cash and bank balances	12, 13	267.10	-	-	196.78	-	-
Investments	6	2,933.67	-	-	187.28	-	-
		18,126.53	-	-	22,486.40	-	-
Financial assets measured at fair value through profit and loss							
Deemed equity contribution towards letter of guarantee	6	13.00	-	-	-	-	-
Derivative contracts		-	-	-	-	-	-
		13.00	-	-	-	-	-
Total financial assets							
		18,139.53	-	-	22,486.40	-	-
Financial liabilities							
Financial liabilities measured at amortised cost							
Current payables	25, 26, 27, 28	27,879.94	-	-	26,390.52	-	-
Non-current payables	20, 21	6,134.46	-	-	2,240.82	-	-
Non-current borrowings	19	2,750.00	-	-	2,275.00	-	-
		36,764.40	-	-	30,906.34	-	-
Total financial assets/(liabilities)							
		(18,624.87)	-	-	(8,419.94)	-	-

Financial risk management objective

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

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

Credit risk:

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

Cash and cash equivalents and short term investments

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



Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

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 90 days. Generally, no interest has been charged on the receivables. Allowances against doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

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

Expected credit loss :

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

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

Ageing of past due trade receivables

Period	₹ in lakh	
	As at 31 March 2022	As at 31 March 2021
Not due for payment	4,635.15	5,297.68
Up to 6 months	6,614.26	8,380.09
From 6 months to 1 year	1,065.74	1,100.21
From 1 year to 3 years	1,997.78	1,255.70
More than 3 years	486.66	331.91

Ageing of impaired trade receivables

Period	₹ in lakh	
	As at 31 March 2022	As at 31 March 2021
Up to 6 months	-	-
From 6 months to 1 year *	-	8.34
From 1 year to 3 years	295.04	203.20
More than 3 years	486.66	331.91

* Based upon lifetime expected credit loss

Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

Liquidity risk:

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

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

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

(₹ in lakh)

Particulars	As at 31 March 2022				Total
	Notes	not later than one year	later than one year and not later than five years	later than five years	
Financial liabilities					
Borrowings - bank loans	19, 25	13,239.54	2,750.00	-	15,989.54
Current payables	26, 27, 28	15,157.58	-	-	15,157.58
Non-current payables	20, 21	-	4,368.37	3,638.79	8,007.16
Total		28,397.12	7,118.37	3,638.79	39,154.28

(₹ in lakh)

Particulars	As at 31 March 2021				Total
	Notes	not later than one year	later than one year and not later than five years	later than five years	
Financial liabilities					
Borrowings - bank loans	19, 25	9,687.57	1,900.00	375.00	11,962.57
Current payables	26, 27, 28	16,876.63	-	-	16,876.63
Non-current payables	20, 21	-	1,788.79	901.32	2,690.11
Total		26,564.20	3,688.79	1,276.32	31,529.31

Market risk

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

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

Currency risk

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

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



Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

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

Particulars	Currency	(in lakh)	
		As at 31 March 2022	As at 31 March 2021
Trade receivables	USD	0.27	-
Trade payables	USD	39.39	37.86
	EUR	0.03	0.49

Currency rate	(In ₹)	
	As at 31 March 2022	As at 31 March 2021
USD	75.8071	73.5047
EUR	84.6599	86.0990

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

Particulars	Currency	(in lakh)	
		As at 31 March 2022	As at 31 March 2021
Trade receivables	USD	0.27	-
Trade payables	USD	39.39	37.86
	EUR	0.03	0.49

Sensitivity analysis

The following table demonstrates the sensitivity of profit and equity in USD and Euro 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 2022	Effect on profit before tax 31 March 2021
USD	5%	(148.28)	(139.15)
	-5%	148.28	139.15
EUR	5%	(0.13)	(2.10)
	-5%	0.13	2.10

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 2022	Effect on profit before tax 31 March 2021
Long term borrowings from bank	+0.50%	(6.38)	(7.13)
	-0.50%	6.38	7.13

Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

Commodity risk

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

Fair valuation techniques and inputs used

Financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique and key input
	As at 31 March 2022	As at 31 March 2021		
Deemed equity contribution towards Letter of guarantee	13.00	-	3	Option pricing method of income approach

(₹ in lakh)

Note 41 - 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 ₹ 186.43 lakh (previous year ₹ 160.50 lakh) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

B. Defined benefit plans

Gratuity

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

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

Particulars	Gratuity (Funded plan)	
	31 March 2022	31 March 2021
Current service cost	50.16	46.01
Net interest expense/(income)	0.04	1.91
Components of defined benefit costs recognised in profit or loss	50.20	47.92
Net actuarial (gain)/loss	(15.02)	(2.30)
Expected return on plan assets excluding interest income	3.38	(60.14)
Components of defined benefit costs recognised in other comprehensive income	(11.64)	(62.44)
I. Net asset/(liability) recognised in the balance sheet as at 31 March		
1. Present value of defined benefit obligation	202.92	203.02
2. Fair value of plan assets	164.23	178.28
3. Deficit	38.69	24.74
4. Current portion of the above	38.69	24.74
II. Change in the obligation during the year ended 31 March		
1. Present value of defined benefit obligation at the beginning of the year	203.02	171.78
2. Expenses recognised in the statements of profit and loss		
- Current service cost	50.16	46.01
- Interest expense	13.18	11.12

(₹ in lakh)



Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

(₹ in lakh)

Particulars	Gratuity (Funded plan)	
	31 March 2022	31 March 2021
3. Recognised in other comprehensive income		
Premeasurement (gains) / losses		
- Actuarial (gain)/loss arising from experience adjustments	(9.43)	6.31
- Actuarial (gain)/loss arising from financial assumption	(5.59)	(8.61)
4. Benefit payments	(48.42)	(23.59)
Present value of defined benefit obligation at the end of the year	202.92	203.02
III. Change in fair value of assets		
1. Fair value of plan assets at the beginning of the year	178.28	132.52
2. Recognised in the statement profit and loss		
- Expected return on plan assets	13.14	9.21
3. Recognised in other comprehensive income		
- Actual return on plan assets in excess of the expected return	(3.38)	60.14
4. Contributions by employer (including benefit payments recoverable)	24.61	-
5. Benefit payments	(48.42)	(23.59)
Fair value of plan assets at the end of the year	164.23	178.28

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

Particulars	As at 31 March 2022	As at 31 March 2021
1. Discount rate	7.37%	6.95%
2. Expected rate of increase in compensation level	6.50%	6.50%
3. Expected rate of return on plan assets	7.37%	6.95%
4. Attrition rate	1.00%	1.00%
5. Mortality table	IALM 2012-14	IALM 2012-14
6. Superannuation age	58	58

VI. Sensitivity analysis

(₹ in lakh)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Change in assumption	Effect on gratuity obligation	Change in assumption	Effect on gratuity obligation
Discount rate	0.50%	(13.13)	0.50%	(13.34)
	-0.50%	14.37	-0.50%	14.62
Expected rate of increase in compensation level	0.50%	13.30	0.50%	13.67
	-0.50%	(12.23)	-0.50%	(12.76)

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.

Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

VII. Experience adjustments :

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
1. Defined benefit obligation	202.92	203.02
2. Fair value of plan assets	164.23	178.28
3. Surplus/(deficit)	(38.69)	(24.74)
4. Experience adjustment on plan liabilities gain/(loss)	9.43	(6.31)

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

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

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

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Amounts recognised in the balance sheet		
Non current (refer note 22)	155.19	155.70
Current (refer note 30)	7.36	6.25
	162.55	161.95
Amounts recognised in the statement of profit and loss		
Current service cost	46.88	42.65
Interest cost	11.01	10.64
Actuarial loss	35.79	19.29
Total included in employee benefits expense	93.68	72.58
Reconciliation of opening and closing balances of benefit obligations		
Change in benefit obligation		
Defined benefit obligation at the beginning of the year	161.95	156.57
Interest cost	11.01	10.64
Current service cost	46.88	42.65
Benefits paid	(93.08)	(67.20)
Actuarial loss	35.79	19.29
Defined benefit obligation at the end of the year	162.55	161.95

The average duration of remaining working life at the end of the reporting period is 17.24 years (previous year 17.51 years)

Note 42 - Earnings per share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit for the year attributable to owners of the Company (₹ in lakh)	1,268.85	1,864.56
Weighted average number of equity shares (nos.)	7,22,96,395	7,22,96,395
Nominal value per share (₹)	2.00	2.00
Earnings per share - basic and diluted (₹)	1.76	2.58

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.



Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

Note 43 - Segment Information

Segment information, as required under Ind AS 108 "Operating Segment", has been provided in the consolidated financial statements of the company and therefore, no separate disclosure on segment information is given in these standalone financial statements.

Note - 44 Contingent liabilities not provided for in respect of:

(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
a) Demands raised by the service-tax authorities against which appeals have been filed	77.77	77.77
b) Demands raised by the sales tax authorities against which appeal filed	945.13	968.82
c) Claims against the Company not acknowledged as debts	124.57	191.11
d) Demands raised by Goods and service tax authorities	189.42	189.42

Note - 45 Capital and other commitments

(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Commitments relating to contracts remaining to be executed on capital account and other commitments not provided for	635.06	231.53

Note - 46 Payment to statutory auditors (excluding goods and service tax)

(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
As auditors	11.77	11.00
For taxation matter	2.14	2.00
Other services	3.79	3.30
Reimbursement of expenses	2.27	0.70
	19.97	17.00

Note 47 - 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	Name of related party
Key Management Personnel (KMP)	Executive Director
	Mr. Rakesh Kaul (Whole Time Director & CEO)
	Executives/ Key Managerial Personnel
	Mr. Naveen Malik (Chief Financial Officer)
	Ms. Payal M Puri (Company Secretary)
	Non-Executive Directors
	Mr. Sandip Somany - Chairman (Non-Executive Non-Independent Director)
	Mr. Ashok Jaipuria (Independent Director)
	Mr. Nand Gopal Khaitan (Independent Director)
	Mr. Salil Kumar Bhandari (Independent Director)
Ms. Anisha Motwani (Independent Director)	

Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

Relationship	Name of related party
Subsidiaries	Hindware Home Retail Private Limited
	Hintastica Private Limited (till 19 th May, 2021)
	Hindware Limited (Formerly Brillloca Limited)
	Luxxis Heating Solutions Private Limited
Step down subsidiaries	Halis International Limited, Mauritius (subsidiary of Hindware Limited)
	Queo Bathroom Innovations Limited, UK (subsidiary of Halis International Limited)
Joint venture	Hintastica Private Limited (W.e.f. 20 th May, 2021)
Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company	Khaitan & Co., LLP
Others	AGI Greenpac Limited (Formerly HSIL Limited)
Post employment benefit plan	SHIL Employee gratuity fund

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

Particulars	(₹ in lakh)					
	Subsidiaries		Joint Venture		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Transactions during the year[^]						
1. Sale of goods to						
Hindware Home Retail Private Limited	806.38	954.24	-	-	-	-
Hindware Limited	2.21	5.50	-	-	-	-
Hintastica Private Limited	-	225.92	204.11	-	-	-
AGI Greenpac Limited	-	-	-	-	1.12	11.38
2. Purchase of goods from						
Hindware Home Retail Private Limited	63.72	34.15	-	-	-	-
Hintastica Private Limited	-	-	-	-	-	-
AGI Greenpac Limited	-	-	-	-	-	536.08
3. Purchase of Property plant and equipment's from						
Hindware Limited	-	21.45	-	-	-	-
AGI Greenpac Limited	-	-	-	-	0.94	-
4. Sale of Property plant and equipment's to						
Hindware Limited	-	2.13	-	-	-	-
Hintastica Private Limited	-	-	7.33	-	-	-
5. Investment made in						
Equity shares in Hintastica Private Limited	-	-	2,766.39	-	-	-
6. Reimbursement of expenses received from						
Hindware Home Retail Private Limited	-	0.80	-	-	-	-
Hintastica Private Limited	-	-	52.38	-	-	-
7. Reimbursement of expenses paid to						
AGI Greenpac Limited	-	-	-	-	3.47	7.50
8. Payment for Management support services received						
Hindware Limited	317.56	321.90	-	-	-	-
Hintastica Private Limited	-	-	292.30	-	-	-
AGI Greenpac Limited	-	-	-	-	2.37	87.42



Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

(₹ in lakh)

Particulars	Subsidiaries		Joint Venture		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
9. Rent received from						
Hindware Limited	33.60	33.60	-	-	-	-
Hintastica Private Limited	18.35	17.60	122.22	-	-	-
10. Rent paid to						
AGI Greenpac Limited	-	-	-	-	85.29	144.89
11. Loan received from						
Hindware Limited	700.00	1,000.00	-	-	-	-
12. Loan given to / (Repaid)						
Hintastica Private Limited	(620.00)	620.00	-	-	-	-
13. Interest paid/provided for loan taken						
Hindware Limited	145.75	77.42	-	-	-	-
14. Interest on loan given						
Hintastica Private Limited	7.02	6.05	-	-	-	-
15. Contribution made to						
SHIL Employee gratuity fund	-	-	-	-	44.74	-
16. Royalty received from						
Hintastica Private Limited	0.21	4.58	41.18	-	-	-
17. Slump sale						
Hintastica Private Limited	-	5,220.48	-	-	-	-
18. Corporate Guarantee provided to						
Hintastica Private Limited	-	5,000.00	4,450.00	-	-	-
19. Consultancy fees paid to						
Khaitan & Co. LLP	-	-	-	-	-	0.92
20. Security Deposit paid to						
AGI Greenpac Limited	-	-	-	-	-	12.07
Balances outstanding at the end of the year						
Hindware Home Retail Private Limited - Receivable						
Loan component of redeemable preference shares	98.36	91.12	-	-	-	-
Other receivable	261.19	138.11	-	-	-	-
Hindware Limited - Payable						
Loan	1,700.00	1,000.00	-	-	-	-
Other payable	114.70	984.96	-	-	-	-
Hintastica Private Limited - Receivable						
Loan	-	620.00	-	-	-	-
Corporate Guarantee outstanding*	-	5,000.00	9,450.00	-	-	-
Other receivable	-	5,514.40	802.97	-	-	-
AGI Greenpac Limited - Payable	-	-	-	-	185.38	1,955.05
Khaitan & Co. LLP - Payable	-	-	-	-	-	0.42

* The Company has given corporate guarantee of ₹ 9,450.00 lakh to bank for loan taken by its joint venture (Hintastica Private Limited), against which loan outstanding of ₹ 2,782.73 lakh (previous year ₹ 49.82 lakh) as on 31st March 2022.

Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

The remuneration and other transactions with members of key management personnel during the year were as follows:

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
Sale of good to		
Mr Salil Bhandari	-	0.50
Remuneration of key management personnel		
Mr. Rakesh Kaul	245.07	182.25
Mr. Naveen Malik	87.99	73.01
Mr. Payal M Puri	84.80	69.29
Commission and other payments to non executive directors	35.90	16.31
Remuneration payable		
Mr. Rakesh Kaul	8.71	4.33
Mr. Naveen Malik	2.27	4.36
Mr. Payal M Puri	3.39	4.44
Commission and other payments to non executive directors	21.30	7.20

The remuneration with members of key management personnel during the year were as follows:

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
Short-term employee benefits #	437.76	328.50
Post-employment benefits		
- Defined contribution plan \$	16.00	12.36
- Defined benefit plan *	-	-
- Other long-term benefits *	-	-
Total	453.76	340.86

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

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

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

Disclosure pursuant to Regulation 34(3) read with Schedule V, part A, Clause 2(2A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015

Promoter/promoter group companies holding more than 10% of equity share capital of the Company :

AGI Greenpac Limited

Particulars	Nature of Transaction	(₹ in lakh)	
		For the year ended 31 March 2022	For the year ended 31 March 2021
Transaction during the year	Purchase of goods	-	536.08
	Sale of goods	1.12	11.38
	Godown rent paid	85.29	144.89
	Security deposit paid	-	12.07
	Management fees paid	2.37	87.42
	Reimbursement of expense paid	3.47	7.50
	Purchase of PPE	0.94	-
Outstanding balance as the end of the year - Payable		185.38	1,955.05

^Excluding goods and services tax, wherever applicable



Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

Note 48 - Corporate social responsibility

The Company is not required to spend on corporate social responsibility (CSR) as per section 135 of the Companies Act, 2013

Note 49 Leases

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

Break-up of current and non-current lease liabilities for the year ended:

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
Current lease liabilities	637.05	458.55
Non current lease liabilities	5,865.92	2,035.50
Total	6,502.97	2,494.05

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
Balance at the beginning	2,494.05	5,284.29
Addition	5,236.64	29.26
Finance cost accrued during the period	531.24	315.50
Deletions/adjustments	706.59	2,216.44
Payment of lease liabilities	1,014.80	784.84
Saving in lease rent	37.57	133.72
Balance at the end	6,502.97	2,494.05

Details regarding the contractual maturities of lease liabilities on undiscounted basis for the year ended:

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
Less than one year	1,154.23	632.23
One to five years	4,368.37	1,788.79
More than five years	3,370.25	696.00
Total	8,892.85	3,117.02

Rental expense recorded for short-term leases was ₹ 229.84 lakh (previous year ₹ 332.86 lakh) for the year ended March 31, 2022

Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

Note 50 - Financial instrument by category

(₹ in lakh)

Particulars	As at 31 March 2022			As at 31 March 2021		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Non current financial assets						
Investments	-	-	2,946.67	-	-	187.28
Loans	-	-	98.36	-	-	91.12
Other financial assets	-	-	268.40	-	-	320.64
Current financial assets						
Investments	-	-	-	-	-	-
Trade receivable	-	-	14,017.89	-	-	15,822.14
Cash and cash equivalents	-	-	260.49	-	-	195.60
Bank balances other than cash and cash equivalents	-	-	6.61	-	-	1.18
Loans	-	-	-	-	-	620.00
Other financial assets	-	-	541.11	-	-	5,248.44
Total financial assets	-	-	18,139.53	-	-	22,486.40
Non current financial liabilities						
Non-current borrowings	-	-	2,750.00	-	-	2,275.00
Lease Liabilities	-	-	5,865.92	-	-	2,035.50
Other financial liabilities	-	-	268.54	-	-	205.32
Current financial liabilities						
Current borrowings	-	-	13,239.54	-	-	9,687.57
Lease Liabilities	-	-	637.05	-	-	458.55
Trade payables	-	-	8,136.92	-	-	9,998.10
Other financial liabilities	-	-	5,866.44	-	-	6,246.30
Total financial liabilities	-	-	36,764.41	-	-	30,906.34

Note 51 - Disclosure under section 186(4) of the Companies Act, 2013

(₹ in lakh)

Particulars	Hindware Limited (wholly owned subsidiary)	Luxxis Heating Solutions Private Limited (Wholly owned subsidiary)	Hindware Home Retail Private Limited (wholly owned subsidiary)	Hintastica Private Limited (joint venture) (W.e.f 20th May, 2021)	Hintastica Private Limited (wholly owned subsidiary) (upto 19th May, 2021)	Hindware Limited (wholly owned subsidiary)	Luxxis Heating Solutions Private Limited (Wholly owned subsidiary)	Hindware Home Retail Private Limited (wholly owned subsidiary)	Hintastica Private Limited (wholly owned subsidiary)
	As at 31 March 2022					As at 31 March 2021			
Guarantee									
Guarantees given as at the beginning of the financial year	-	-	-	-	5,000.00	-	-	-	-
Guarantees given during the financial year	-	-	-	4,450.00	-	-	-	-	5,000.00
Guarantee closed during the year	-	-	-	-	-	-	-	-	-
Transfer upon loss of control	-	-	-	5,000.00	(5,000.00)	-	-	-	-
Guarantees given as at the end of the financial year	-	-	-	9,450.00	-	-	-	-	5,000.00
Investments									
Investments at the beginning of the financial year	10.00	20.00	188.52	-	20.00	10.00	20.00	188.52	20.00



Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

(₹ in lakh)

Particulars	Hindware Limited (wholly owned subsidiary)	Luxxis Heating Solutions Private Limited (Wholly owned subsidiary)	Hindware Home Retail Private Limited (wholly owned subsidiary)	Hintastica Private Limited (joint venture) (W.e.f 20th May, 2021)	Hintastica Private Limited (wholly owned subsidiary) (upto 19th May, 2021)	Hindware Limited (wholly owned subsidiary)	Luxxis Heating Solutions Private Limited (Wholly owned subsidiary)	Hindware Home Retail Private Limited (wholly owned subsidiary)	Hintastica Private Limited (wholly owned subsidiary)
	As at 31 March 2022					As at 31 March 2021			
Additions during the financial year	-	-	-	1,999.80	766.59	-	-	-	-
Provision for diminution in the value of during the year	-	20.00	-	-	-	-	-	-	-
Transfer upon loss of control	-	-	-	786.59	(786.59)	-	-	-	-
Investment at the end of the financial year	10.00	-	188.52	2,786.39	-	10.00	20.00	188.52	20.00
Loans and advances									
Loans at the beginning of the financial year	-	-	-	-	620.00	-	-	-	-
Additions during the financial year	-	-	-	-	-	-	-	-	620.00
Return back during the year	-	-	-	-	(620.00)	-	-	-	-
Loans at the end of the financial year	-	-	-	-	-	-	-	-	620.00

Note 52 - Transactions with Struck off companies

(₹ in lakh)

S. No.	Name of Struck-off company	Nature of transaction with struck-off company	Balance as on 31st March'2022	Balance as on 31st March'2021	Relationship with the struck-off company
1	Baron Electronics Private Limited	Sale of goods	-	(0.03)	Customer

Details of struck off entities holding equity shares in the Company

S. No.	Name of Struck-off company	No. of shares held	Paid-up value as at 31 March 2022 (in ₹)	Paid-up value as at 31 March 2021 (in ₹)
1	Rocket Investment Private Limited	7	14	14

Note 53 - Ratios disclosure

Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Variance	Remarks
(i) Current Ratio (times)	1.17	1.25	-6%	
Total Current assets / Total current liabilities (including Short term borrowings and Current maturities of long term borrowings)				
(ii) Total Debts to Equity Ratio (times)	1.40	1.12	26%	Due to increase in debts
(Non-current borrowings including Current maturities of long term borrowings + Current Borrowings + Trade Deposits) / Net worth*)				
* Net worth = Equity Share Capital + Securities premium account + Capital reserve + General reserve + Retained earnings + Actuarial gain / (loss)				
(iii) Debt Service Coverage Ratio (times)	1.91	2.37	-20%	
(Profit after Tax + Depreciation + Interest on loan / Interest on loan + loan repayment)				

Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Variance	Remarks
(iv) Return on Equity (%) (Profit for the year / Net worth*) * Net worth = Equity Share Capital + Securities premium account + Capital reserve + General reserve + Retained earnings + Actuarial gain / (loss)	11.29%	18.66%	-40%	Due to decrease in profit
(v) Inventory Turnover (times) (Cost of goods sold/ Average Inventories)	2.46	2.64	-7%	
(vi) Trade Receivables Turnover (times) (Revenue from Operations / Average Trade receivables)	3.29	3.65	-10%	
(vii) Trade Payables Turnover (times) (Total Purchases / Average Trade payables)	3.79	3.91	-3%	
(viii) Net Capital Turnover (times) (Revenue from Operations / Average Working Capital)	7.96	10.15	-22%	
(ix) Net Profit Ratio (%) (Profit for the year / Revenue from Operations)	2.58%	3.71%	-30%	Due to decrease in profit
(x) Return on Capital Employed (%) (Earnings before interest and tax / Capital employed*) * Capital employed = Tangible Net worth + Borrowings + Deferred tax liability + Trade deposits - Intangible assets	12.05%	22.17%	-46%	Due to increase in working capital

Note 54- Covid-19

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

Note 55 - 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 56

The previous year figures for period from 1st April 2020 to 31st March 2021 includes Water Heater Business Undertaking ("WHBU") of Consumer Appliance Business segment of the company, which was sold by way of Slump Sale to the then wholly owned subsidiary Hintastica Private Limited ("HPL") w.e.f. 30th December 2020 (Revenue from operations for WHBU for period ended 31st March 2021 was ₹ 7,239.26 lakh).

The figures for the current period from 1st April 2021 to 31st March 2022 are not comparable with the corresponding period figures.

Note 57 - Interim dividend

During the year, the Company paid an interim dividend @25% representing ₹ 0.50/- per share on equity share of ₹ 2 each amounting to ₹ 361.84 lakhs (previous year nil). The interim dividend paid above is being considered and proposed as final dividend.

Note 58 - Change of Name

Pursuant to the issuance of the fresh certificate of incorporation dated 23rd May 2022 by the Registrar of Companies Kolkata, the name of Company stands changed from Somany Home Innovation Limited to Hindware Home Innovation Limited

Note 59 - Other Disclosures

- The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period
- The Company has not traded or invested in crypto currency or virtual currency during the financial year
- There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related



Significant accounting policies and other explanatory information to the standalone financial statements

for the year ended 31 March 2022

- parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are: (a) repayable on demand; or (b) without specifying any terms or period of repayment
- (d) The Company has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017
- (e) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 to 1988) and Rules made thereunder
- (f) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender or government or any government authority
- (g) Utilisation of borrowed funds and share premium
- I. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (ii) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- II. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- (h) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- (i) Previous period figures have been regrouped /re-arranged wherever considered necessary to confirm to the current year's classification.

As per our report of even date attached

For and on behalf of the Board of Directors

For Lodha & Co

Chartered Accountants
Firm Registration No.:301051E

Shyamal Kumar

Partner
M. No. 509325
Place : New Delhi
Date : 26 May 2022

Rakesh Kaul

Whole Time Director and CEO
DIN: 08560772

Payal M. Puri

Company Secretary
ACS No.: 16068

Sandip Somany

Chairman
DIN: 00053597

Naveen Malik

Chief Financial Officer

Place : Gurugram
Date : 26 May 2022

Independent Auditor's Report

To the Members of Hindware Home Innovation Limited (formerly known as Somany Home Innovation Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Hindware Home Innovation Limited (formerly known as Somany Home Innovation Limited) ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture (jointly controlled entity), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at March 31, 2022, their consolidated profit including their other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, other than the unaudited financial statements/ financial information of a company as certified by the management and referred to in and financial information not available as referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Description of Key Audit Matter	How our audit addressed the key audit matters
<p>1. Accounting for Loss of control in Hintastica Private Limited:</p> <p>Hintastica Private Limited, became joint venture w.e.f. 20th May 2021 which was subsidiary till 19th May 2021. On loss of control, the holding company derecognised the carrying value of assets and liabilities and recognised the Company retained interest in Hintastica Private Limited at fair value resulting in a gain of 6611.48 lakhs in the consolidated statement of profit and loss for the year ended March 31, 2022. The Company has exercised significant judgements in</p> <ul style="list-style-type: none"> (i) assessment relating to classification of retained interest in Hintastica Private Limited, as a joint venture; (ii) determining the fair value of the retained interest in the joint venture with the help of external specialists. In performing this exercise, the holding company has used business and valuation assumptions, including level III assumptions. 	<p>Principal Audit Procedures:</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls over appropriateness of management's assessment</p> <ul style="list-style-type: none"> (i) relating to classification of retained interest in Hindware Private Limited as a joint venture; (ii) In determining the fair value of the retained interest in the joint venture; (iii) We tested management's assessment relating to classification of retained interest in Hintastica Private Limited as a joint venture. We tested the fair value of retained interest computed based on market observable inputs with underlying market information used by the Management comparing business and valuation assumptions with internal and external information, including market inputs as appropriate.



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

The holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management's and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group and joint venture in accordance with Ind As and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and joint venture are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and joint venture for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and joint venture are responsible for assessing the ability of the Group and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and joint venture or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and joint venture are also responsible for overseeing the financial reporting process of the Group and joint venture.

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

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

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

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

disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. The consolidated financial statement include the audited financial statement of two subsidiaries, whose financial statements/financial information reflect total assets of ₹ 688.29 Lakhs as at 31 March 2022, total revenue of ₹ 1,520.06 Lakhs, total net profit / (loss) after tax of ₹ 14.81 lakhs, total comprehensive income of ₹ 14.28 Lakhs for year ended 31st March 2022 and

net cash outflow of ₹ 7.09 Lakhs for the period from 01st April, 2021 to 31st March 2022, as considered in the consolidated financial statement. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Financial statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us are as stated in paragraph above.

2. We did not audit the financial statement of one foreign subsidiary whose financial statement reflect total assets of ₹ 26.02 lakhs as at 31 March 2022, total revenue of ₹ Nil, total net profit / (loss) after tax of (₹ 6.82 Lakhs), total comprehensive income of (₹ 6.82 lakhs) for the year ended 31st March 2022 and net cash outflow of ₹ 2.58 lakhs for the period from 01st April, 2021 to 31st March 2022, as considered in the consolidated financial Statement. The financial statement and other information have been prepared in accordance with accounting principles generally accepted in their respective country and which have been certified by the management. The Company's management has converted the financial statements which have been certified by a independent Chartered Accountant in India and other information of such subsidiary located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is solely based on the conversion adjustments prepared by the management of the Company and certified by a Chartered Accountant in India and audited by us. In our opinion and according to the information and explanations given to us by the Board of Director these financial statement are not material to the group.
3. Certain of these subsidiaries are located outside India whose financial statements and other information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by their respective auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements which have been certified by a Chartered Accountant in India and other information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is solely based on the report of other auditors, the conversion adjustments prepared by the management of the Company and certified by a Chartered Accountant and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with



respect to our reliance on the work done and the reports of the other auditors / independent firm of chartered accountants for the purpose of preparation of these consolidated financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matter specified in paragraph 3(xxii) of CARO 2020.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and its subsidiaries and its joint venture incorporated in India and the reports of the statutory auditors of its subsidiary companies and its joint venture incorporated in India, none of the directors of the Group companies and joint venture incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Holding Company and its subsidiary companies and its joint venture incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- g) With respect to the other matter to be included in the Auditors' report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and according to the information and explanation given to us, the remuneration paid by the Holding company to its directors during the year and its subsidiaries and its joint venture which are incorporated in India is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - I. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group and joint venture - Refer Note No. 43 of the Consolidated Financial Statements.
 - II. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary and its joint venture companies incorporated in India.
 - IV. (a) The respective management of the Holding Company and its subsidiaries and its joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that (read with Note No. 53), to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries or joint venture to or in any other person(s) or entities, including

foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries or joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Management of the Holding Company and its subsidiaries and its joint venture which are companies incorporated in India (read with Note No. 53), whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Holding Company or any of such subsidiaries or joint venture from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries or joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party

("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries and its joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above as required by Rule 11(e) of Companies (Audit & Auditors) Rules, 2014, as amended, contains any material mis-statement.
- V. The dividend declared and paid during the year by the Holding Company, its subsidiary companies and joint venture entities incorporated in India, is in compliance with Section 123 of the Companies Act 2013.

For **LODHA & CO.**
Chartered Accountants
ICAI Firm Registration Number: 301051E

Shyamal Kumar
Partner

Place: New Delhi
Date: 26th May 2022

Membership Number: 509325
UDIN: 22509325AJQPZL7516



Annexure – A to the Auditor’s Report

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2022, we have audited the internal financial controls over financial reporting of Hindware Home Innovation Limited (formerly known as Somany Home Innovation Limited) (‘the Holding Company’), its subsidiary companies and joint venture, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company and its subsidiary companies and joint venture, which are companies incorporated in India, based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group, its Subsidiary companies and joint venture, which are incorporated in India, have, maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary, which is company incorporated in India, is based on the corresponding reports of the auditor of such company.

Our opinion is not modified in respect of this matter.

For **LODHA & CO.**
Chartered Accountants
ICAI Firm Registration Number: 301051E

Shyamal Kumar
Partner
Membership Number: 509325

Place: New Delhi
Date: 26th May 2022



Annexure "B" to the Auditor's Report

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

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

Referred to in of the Independent Auditor's Report of even date to the members of Hindware Home Innovation Limited (formerly known as Somany Home Innovation Limited) on the Consolidated Financial Statements as of and for the year ended March 31, 2022. As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone/consolidated financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

No.	Name of the Company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
1.	Hindware Limited	U74999WB2017PLC223307	Subsidiary	i(c)
2.	Luxxis Heating Soluation Private Limited	U74999WB2017PTC224015	Subsidiary	xvii , xix
3.	Hintastica Private Limited	U31909WB2019PTC234717	Joint venture	xvii

For **LODHA & CO.**
Chartered Accountants
ICAI Firm Registration Number: 301051E

Shyamal Kumar
Partner
Membership Number: 509325

Place: New Delhi
Date: 26th May 2022

Consolidated Balance Sheet

as at 31 March 2022

(₹ in lakh)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	4a	49,019.36	10,624.99
(b) Right-of-use Asset	4a	24,819.33	4,943.05
(c) Capital work-in-progress	4b	5,791.29	1,038.84
(d) Goodwill	4c	191.00	-
(e) Other intangible assets	5a	272.52	134.39
(f) Other intangible assets under development	5b	58.50	20.00
(g) Financial assets			
(i) Investments	6	8,734.78	-
(ii) Other financial assets	7	931.88	612.11
(h) Income-tax assets (net)	8	87.76	-
(i) Deferred tax assets (net)	9	3,824.10	3,651.74
(j) Other non-current assets	10	2,005.63	583.08
Total non-current assets		95,736.15	21,608.20
2 Current assets			
(a) Inventories	11	67,530.99	28,018.38
(b) Financial assets			
(i) Investments	12	2,709.06	2,564.02
(ii) Trade receivables	13	30,589.60	40,765.19
(iii) Cash and cash equivalents	14	2,647.77	760.44
(iv) Bank balances other than (iii) above	15	6.61	1.18
(v) Other financial assets	16	1,768.81	59.59
(c) Other current assets	17	13,579.85	10,081.10
Total current assets		1,18,832.69	82,249.90
Total assets		2,14,568.84	1,03,858.10
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	18	1,445.93	1,445.93
(b) Other equity	19	51,190.56	31,548.38
Total equity		52,636.49	32,994.31
2 Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	1,050.00	4,253.64
(ii) Lease liabilities	21	20,888.05	4,399.31
(iii) Other financial liabilities	22	3,928.80	3,200.61
(b) Other non-current liabilities	23	386.74	144.88
(c) Provisions	24	1,192.29	827.61
Total non-current liabilities		27,445.88	12,826.05
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	13,272.12	14,690.06
(ii) Lease liabilities	26	2,189.24	905.19
(iii) Trade payables	27		
- Due to micro and small enterprise		6,884.18	4,705.98
- Due to others		18,354.80	9,679.24
(iv) Other financial liabilities	28	84,628.11	19,896.40
(b) Other current liabilities	29	8,353.02	6,288.77
(c) Provisions	30	805.00	315.91
(d) Current tax liabilities (net)	31	-	1,556.19
Total current liabilities		1,34,486.47	58,037.74
Total liabilities		1,61,932.35	70,863.80
Total equity and liabilities		2,14,568.84	1,03,858.10

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

For and on behalf of the Board of Directors

For Lodha & Co

Chartered Accountants
Firm Registration No.:301051E

Shyamal Kumar

Partner
M. No. 509325
Place : New Delhi
Date : 26 May 2022

Rakesh Kaul

Whole Time Director and CEO
DIN: 08560772

Payal M. Puri

Company Secretary
ACS No.: 16068

Sandip Somany

Chairman
DIN: 00053597

Naveen Malik

Chief Financial Officer

Place : Gurugram
Date : 26 May 2022



Consolidated Statement of Profit and Loss

for the year ended 31 March 2022

(₹ in lakh)

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
I Income			
Revenue from operations	32	2,29,363.20	1,77,521.26
Other income	33	2,929.96	1,806.99
Total income		2,32,293.16	1,79,328.25
II Expenses			
Purchases of stock-in-trade	34	1,64,510.58	1,16,252.49
Changes in inventories of finished goods, stock-in-trade and work-in-progress	35	(8,055.88)	3,130.65
Employee benefits expense	36	23,102.64	18,083.48
Finance costs	37	2,041.92	2,948.76
Depreciation and amortisation expense	38	3,933.50	3,927.49
Other expenses	39	32,323.34	25,743.90
Total expenses		2,17,856.10	1,70,086.77
III Profit before exceptional items and tax (I-II)		14,437.06	9,241.48
IV Exceptional items	53	10,086.09	-
V Profit before tax (III + IV)		24,523.15	9,241.48
VI Tax expense			
(1) Current tax (including MAT)	40	4,461.77	3,668.85
(2) Minimum Alternative Tax entitlement / (charged)	40	(344.81)	0.03
(3) Earlier year income tax	40	-	(427.47)
(4) Deferred tax	40	57.04	515.79
Total tax expense		4,174.00	3,757.20
VII Profit for the year (V-VI)		20,349.15	5,484.28
VIII Share in profit/(loss) from joint venture (refer note 51)		(180.79)	-
IX Net profit after tax and share in profit/(loss) of joint venture for the year (VII+VIII)		20,168.36	5,484.28
X Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plan		72.24	269.21
(b) Income-tax relating to these items		(19.26)	(73.74)
(ii) Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operations		(0.48)	0.58
(iii) Share in other comprehensive income of joint venture (net of tax)		(0.31)	-
Other comprehensive income, net of tax		52.19	196.05
XI Total comprehensive income for the year		20,220.55	5,680.33
XII Earnings per equity share (of ₹ 2/- each):			
Basic and diluted	41	27.90	7.59

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

For and on behalf of the Board of Directors

For Lodha & Co

Chartered Accountants
Firm Registration No.:301051E

Rakesh Kaul

Whole Time Director and CEO
DIN: 08560772

Sandip Somany

Chairman
DIN: 00053597

Shyamal Kumar

Partner
M. No. 509325
Place : New Delhi
Date : 26 May 2022

Payal M. Puri

Company Secretary
ACS No.: 16068

Naveen Malik

Chief Financial Officer

Place : Gurugram
Date : 26 May 2022

Consolidated Statement of Cash Flows

for the year ended 31 March 2022

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31st March 2021
Cash flows from operating activities		
Profit before tax	24,342.36	9,241.48
Adjustments for:		
Finance costs	2,041.92	2,948.76
Interest income	(26.19)	(84.18)
Gain on disposal of property, plant and equipment	(9.78)	(11.34)
Loss on disposal of property, plant and equipment	116.62	38.09
Net loss/(gain) arising on current investments	(138.52)	(5.37)
Sundry balances and liabilities no longer required, written back	(2,096.68)	(1,861.53)
Provision for expected credit/impairment loss and doubtful advances	1,707.04	1,271.41
Bad debts written off	7.70	5.44
Saving in lease rental	(205.86)	(224.02)
Excess balances and liabilities written back	-	(0.09)
Depreciation and amortisation expenses	3,933.50	3,927.49
Foreign currency translation gain/(loss) on consolidation	(0.48)	0.58
Exceptional items (refer note 53)	(10,086.09)	-
Share of loss/(profit) of joint venture	180.79	-
Net foreign exchange loss/(gain)	(183.55)	(215.67)
	19,582.78	15,031.04
Movements in working capital:		
(Increase)/decrease in trade and other receivables	7,798.34	(5,159.53)
(Increase)/decrease in inventories	(8,757.88)	2,998.28
(Increase)/decrease in other assets	(1,801.58)	(2,316.03)
Increase/(decrease) in trade and other liabilities	11,500.30	14,965.98
Increase/(decrease) in provisions	388.62	168.00
	9,127.80	10,656.70
Cash generated from operations	28,710.58	25,687.74
Income taxes paid	(6,173.97)	(2,382.43)
Income taxes refund	68.25	143.45
Net cash generated by operating activities	22,604.86	23,448.76
Cash flows from investing activities:		
Payments to acquire financial assets	(26,280.00)	(2,531.46)
Proceeds from sale of financial assets	26,252.46	-
Investment in joint venture	(2,766.39)	-
Interest received	10.30	84.18
Payment against slump sale	(10,900.00)	-
Payments for property, plant and equipment	(3,956.34)	(2,837.43)
Receipt against slump sale	5,220.48	-
Proceeds from disposal of property, plant and equipment	24.25	123.86
Movement in other bank balances	(5.43)	(1.18)
Net cash used in investing activities	12,400.67	5,162.03



Consolidated Statement of Cash Flows

for the year ended 31 March 2022

(₹ in lakh)

Particulars	Year ended 31 March 2022	Year ended 31st March 2021
Cash flows from financing activities:		
Repayment of borrowings	(3,478.37)	(253.04)
Movement in short term borrowings (net)	(1,143.21)	(13,608.75)
Principal payment of lease liability	(1,051.26)	(845.62)
Interest on lease liability	(840.31)	(591.07)
Dividends paid	(572.94)	(107.26)
Interest paid	(1,230.77)	(2,387.23)
Net cash used in financing activities	(8,316.86)	17,792.97
Net increase in cash and cash equivalents:	1,887.33	493.77
Cash and cash equivalents at the beginning of the year	760.44	266.67
Cash and cash equivalents at the end of the year	2,647.77	760.44

The movement in liabilities from financing activities:

Particulars	As at 31st March, 2021	Cashflows	Non-cashflow changes - Other		As at 31st March, 2022
			Foreign exchange	Other	
Long term borrowings	4,756.96	(3,478.37)	-	-	1,278.59
Short term borrowings	14,186.74	(1,143.21)	-	-	13,043.53
Total liabilities from financing activities	18,943.70	(4,621.58)	-	-	14,322.12

Particulars	As at 31st March, 2020	Cashflows	Non-cashflow changes - Other		As at 31st March, 2021
			Foreign exchange	Other	
Long term borrowings	5,010.00	(253.04)	-	-	4,756.96
Short term borrowings	27,795.49	(13,608.75)	-	-	14,186.74
Total liabilities from financing activities	32,805.49	(13,861.79)	-	-	18,943.70

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For Lodha & Co

Chartered Accountants
Firm Registration No.:301051E

Shyamal Kumar

Partner
M. No. 509325
Place : New Delhi
Date : 26 May 2022

Rakesh Kaul

Whole Time Director and CEO
DIN: 08560772

Payal M. Puri

Company Secretary
ACS No.: 16068

Sandip Somany

Chairman
DIN: 00053597

Naveen Malik

Chief Financial Officer

Place : Gurugram
Date : 26 May 2022

Consolidated Statement of Changes in Equity

for the year ended 31st March 2022

a. Equity share capital

Particulars	Number of shares	(₹ in lakh)
		Amount
Issued and paid up capital		
Balance as at 1 April 2020	7,22,96,395	1,445.93
Changes in equity share capital during the year	-	-
Balance as at 31 March 2021	7,22,96,395	1,445.93
Changes in equity share capital during the year	-	-
Balance as at 31 March 2022	7,22,96,395	1,445.93

b. Other equity

	Reserves and surplus					Other comprehensive income	Total
	Capital reserve	Securities premium account	General reserve	Retained earnings	Actuarial gain / (loss)	Foreign currency translation reserve	
Balance as at 1 April 2020	49.88	7,238.97	2,449.08	16,164.95	26.34	47.27	25,976.49
Profit for the year	-	-	-	5,484.28	-	-	5,484.28
Other comprehensive income for the year (net of tax)	-	-	-	-	195.47	0.58	196.05
Total comprehensive income for the year	-	-	-	5,484.28	195.47	0.58	5,680.33
Payment of dividend	-	-	-	(108.44)	-	-	(108.44)
Balance as at 31 March 2021	49.88	7,238.97	2,449.08	21,540.79	221.81	47.85	31,548.38
Profit for the year	-	-	-	20,168.36	-	-	20,168.36
Other comprehensive income for the year (net of tax)	-	-	-	-	52.67	(0.48)	52.19
Total comprehensive income for the year	-	-	-	20,168.36	52.67	(0.48)	20,220.55
Payment of dividend	-	-	-	(578.37)	-	-	(578.37)
Balance as at 31 March 2022	49.88	7,238.97	2,449.08	41,130.78	274.48	47.37	51,190.56

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For Lodha & Co

Chartered Accountants
Firm Registration No.:301051E

Shyamal Kumar

Partner
M. No. 509325
Place : New Delhi
Date : 26 May 2022

Rakesh Kaul

Whole Time Director and CEO
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Naveen Malik

Chief Financial Officer

Place : Gurugram
Date : 26 May 2022

Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

1. A) Corporate information

Hindware Home Innovation Limited (the 'Parent Company') (formerly Somany Home Innovation Limited) is a public limited company incorporated in India under the Companies Act, 2013. The registered office of the Parent Company is situated in Kolkata and the corporate office is in Gurugram. The Group is into the business of selling and trading of building products, consumer appliances and retail business. The equity shares of the parent Company is listed at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

The consolidated financial statements include the consolidated balance sheet, consolidated statement of profit and loss, consolidated cash flow statement and consolidated statement of changes in equity of the Parent Company, its under mentioned subsidiaries and joint venture (hereinafter referred as the 'Group')-

Subsidiary Companies	Date of shareholding/membership	Country of incorporation	% of shareholding
Hindware Home Retail Private Limited	1 st April 2018	India	100%
Luxxis Heating Solutions Private Limited	1 st April 2018	India	100%
Hindware Limited	1 st April 2018	India	100%
Hintastica Private Limited*	14 nd November 2019	India	100%
Halis International Limited	1 st April 2018	Mauritius	100%
Queo Bathroom Innovations Limited UK (subsidiary of Halis International Limited)	1 st April 2018	United Kingdom (UK)	100%

Joint Venture Company	Date of shareholding/membership	Country of incorporation	% of shareholding
Hintastica Private Limited*	14 nd November 2019	India	50%

* w.e.f. 20th May 2021, the company has become Joint Venture of the Group

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

The consolidated financial statements of the Group have been prepared in accordance with Ind AS notified by the Companies (Indian Accounting Standards) Rules, 2015 (as amended). Accordingly, the Group's financial statements for the year ended 31 March 2022 are prepared complying in material aspects with applicable Ind AS.

The consolidated financial statement of the Group as at and for the year ended 31st March 2022 were approved and authorised by the Board of Directors on 26th May, 2022

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

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

2. Summary of Significant accounting policies

2.1 Recent accounting pronouncements

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

Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

- i. **Amendments to Ind AS 103: Reference to Conceptual Framework**
The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.
- ii. **Amendments to Ind AS 16: Proceeds before intended use**
The amendments clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of Property Plant and Equipment.
- iii. **Amendment to Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract**
The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate

Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

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

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

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

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

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

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

2.2 Basis of preparation of Consolidated Financial Statements

These financial statements are the Consolidated Financial Statements of the Group prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

These Consolidated Financial Statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below.

Basis of consolidation The Consolidated Financial Statements (CFS) comprises the Financial Statements of Hindware Home Innovation Limited ("the Company"), its Subsidiaries and its Joint venture (herein after referred together as "the Group") and Joint Venture. The CFS of the Group have been prepared in accordance with the Indian Accounting Standards on "Consolidated Financial Statements" (Ind AS 110), "Joint Arrangements" (Ind AS 111), "Disclosure of Interest in Other Entities" (Ind AS 112), "Investment in Associates and Joint Ventures" (Ind AS 28) notified under Section 133 of the Companies Act 2013.

(i) Subsidiaries

Control is gained when the Parent Company:

- Has power over the investee
- Is exposed or has rights to variable return from its involvement with the investee, and
- Has the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Parent Company's voting rights and potential voting rights
- The size of the Parent Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

(ii) Joint Venture / Equity Accounted Investees

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether joint control exists are similar to those necessary to determine control over the subsidiaries.

Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

(iii) Loss of Control

When the Group loses control over a subsidiary, it de-recognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the Statement of Profit and Loss.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31 March.

Consolidation procedure:

Subsidiaries

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company. When necessary, adjustments are made to the

financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Joint Venture

The Group's investments in its joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment.

Unrealised gains resulting from the transaction between the Group and joint venture are eliminated to the extent of the interest in the joint venture, and deferred tax is made on the same.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the Statement of Profit and Loss.

3. Significant accounting policies and other explanatory information

The significant accounting policies to prepare consolidated financial statements are in uniformity with the standalone financial statements of the Company. Following are the additional policies specifically considered for preparation of consolidated financial statements:

3.1 Business combinations

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred

Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, 'Income Taxes' and Ind AS 19, 'Employee Benefits', respectively. Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Ind AS 103. Such transactions are accounted for using the pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their carrying amounts of the parent entity's consolidated financial statements with the exception of certain income tax and deferred tax assets. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. The components of equity of the acquired companies are added to the same components within the Group's equity. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to other equity and is presented separately from other capital reserves.

3.2 Foreign currency transactions and translations

Initial recognition

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

Measurement at the balance sheet date

Foreign currency monetary items of the Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the

date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Treatment of exchange difference

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

3.3 Taxation

Deferred tax

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Parent Company's/its subsidiary's forecast of future opening results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

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

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

3.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group has three operating/reportable segments: consumer appliances business, retail business and building products segments. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services.

Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the Group uses the same measurement policies as those used in its financial statements. In addition, unallocated assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.



Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

Note 4a - Property, plant and equipment

Description of assets	Land- Freehold	Right of use - Land	Buildings	Leasehold improvements	Right of Use - Building	Plant and equipment	Office equipment	Furniture and fixtures	Computers	Vehicles	Total	(₹ in lakh)		
I. Gross block														
Opening balance as at 1 April 2020	-	-	-	650.41	9,791.09	7,624.85	693.21	6,631.58	1,062.60	688.28	27,142.02			
Additions	-	-	-	345.14	777.08	484.81	77.27	722.24	338.37	432.99	3,177.90			
Disposals/adjustment	-	-	-	(34.24)	(3,674.16)	(7.85)	(133.82)	(521.00)	(142.12)	(200.58)	(4,713.77)			
Balance as at 31 March 2021	-	-	-	961.31	6,894.01	8,101.81	636.66	6,832.82	1,258.85	920.69	25,606.15			
Additions	-	-	-	-	20,347.92	72.00	240.61	1,526.92	332.51	385.71	22,905.67			
Disposals/adjustment	-	-	-	-	(1,889.36)	(322.08)	(11.79)	(482.33)	(58.04)	(40.93)	(2,804.53)			
Assets acquired under business acquisition (refer note 52)	4,328.62	2,355.00	9,796.29	-	-	23,323.64	158.29	345.63	114.43	433.96	40,855.86			
Balance as at 31 March 2022	4,328.62	2,355.00	9,796.29	961.31	25,352.57	31,175.37	1,023.77	8,223.04	1,647.75	1,699.43	86,563.15			
II. Accumulated depreciation and amortisation														
Opening balance as at 1 April 2020	-	-	-	362.82	1,871.17	1,412.85	454.83	3,234.80	777.60	229.62	8,343.69			
Depreciation and amortisation charge for the year	-	-	-	71.40	1,373.31	643.76	82.17	1,112.38	207.45	139.70	3,630.17			
Disposals/adjustment	-	-	-	(33.96)	(1,293.52)	(5.10)	(131.87)	(476.32)	(111.21)	(112.97)	(2,164.96)			
Impairment	-	-	-	183.37	-	-	5.94	39.90	-	-	229.21			
Balance as at 31 March 2021	-	-	-	583.63	1,950.96	2,051.51	411.06	3,910.76	873.84	256.35	10,038.11			
Depreciation and amortisation charge for the year	-	-	-	60.27	1,649.10	646.14	102.22	886.38	247.02	272.54	3,863.67			
Disposals/adjustment	-	-	-	-	(711.82)	(13.65)	(10.24)	(367.42)	(44.26)	(29.93)	(1,177.32)			
Impairment	-	-	-	-	-	-	-	-	-	-	-			
Balance as at 31 March 2022	-	-	-	643.90	2,888.24	2,684.00	503.04	4,429.72	1,076.60	498.96	12,724.46			
Net block (I-II)														
Balance as at 31 March 2022	4,328.62	2,355.00	9,796.29	317.41	22,464.33	28,491.37	520.73	3,793.32	571.15	1,200.47	73,838.69			
Balance as at 31 March 2021	-	-	-	377.68	4,943.05	6,050.30	225.60	2,922.06	385.01	664.34	15,568.04			

Refer note 20 & 25 for details of property, plant and equipment hypothecated as security by the Group.

Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

Note 4b - Capital work-in-progress

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Capital work in progress	5,791.29	1,038.84
Total	5,791.29	1,038.84

a) Details and Ageing of CWIP is as follows:

Particulars	As at 31 March 2022				
	Amount in CWIP for a period of				
	Less than 1 year*	1-2 years	2-3 years	More than 3 years	Total
Project in progress	5,726.77	61.81	2.71	-	5,791.29
Total					5,791.29

*Assets acquired under business acquisition (refer note 52)

Particulars	As at 31 March 2021				
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	1,013.89	24.95	-	-	1,038.84
Total					1,038.84

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

Note 4c - Goodwill

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Goodwill (Refer note 52)	191.00	-
Total	191.00	-

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

Particulars	(₹ in lakh)
Balance as at 1 April 2020	-
Impairment for the year	-
Balance as at 31 March 2021	-
Goodwill generated under business acquisition (refer note 52)	191.00
Balance as at 31 March 2022	191.00



Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

Note 5a - Other intangible assets

(₹ in lakh)

Description of assets	Trade mark	Computer software	Total
I. Opening balance as at 1 April 2020	36.15	706.12	742.27
Additions	-	-	-
Disposal/ Adjustment	-	108.93	108.93
Balance as at 31 March 2021	36.15	815.05	851.20
Additions	-	157.16	157.16
Assets acquired under business acquisition (refer note 52)	-	50.80	50.80
Balance as at 31 March 2022	36.15	1,023.01	1,059.16
II. Accumulated amortisation			
Opening balance as at 1 April 2020	3.91	559.76	563.67
Amortisation charge for the year	-	68.11	68.11
Disposals/adjustment	-	85.03	85.03
Balance as at 31 March 2021	3.91	712.90	716.81
Amortisation charge for the year	-	69.83	69.83
Disposals/adjustment	-	-	-
Balance as at 31 March 2022	3.91	782.73	786.64
Net block (I-II)			
Balance as at 31 March 2022	32.24	240.28	272.52
Balance as at 31 March 2021	32.24	102.15	134.39

Note 5b - Other intangibles under development

(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Other intangible assets under development	58.50	20.00
	58.50	20.00

Details and Ageing of other intangibles under development

As at 31st March 2022

(₹ in lakh)

Particulars	Amount for a period of				Total
	less than year	1 to 2 years	2 to 3 years	more than 3 years	
Project in progress	38.50	20.00	-	-	58.50

As at 31st March 2021

(₹ in lakh)

Particulars	Amount for a period of				Total
	less than year	1 to 2 years	2 to 3 years	more than 3 years	
Project in progress	20.00	-	-	-	20.00

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

Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

Note 6 - Non-current financial assets - Non current investments

(₹ in lakh)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
A. Deemed equity contribution				
Deemed equity contribution#		13.00		
Total [A]		13.00		-
B. At cost				
Unquoted investments (fully paid-up)				
Neycer India Limited (face value ₹ 10 each) (refer note 52)	125	0.01	-	-
Water Management & Plumbing Skill Council (Formerly Indian Plumbing Skills Council) (face value ₹ 10 each)	10,000	1.00	-	-
Unquoted investments		1.01		-
Total investments carried at cost [B]		1.01		-
C. Using Equity Method:				
Joint Venture				
Unquoted				
Equity share fully paid up				
Hintastica Private Limited (face value Rs. 2 each)*	291300	8,720.77	-	-
Total investments carried at cost [C]		8,720.77		-
Total investments (A+B+C)		8,734.78		-
Other disclosures				
Aggregate amount of unquoted investments		8,734.78		-

Fair value of letter of gurantee given for the Hintastica Private Limited

* Refer note 53

Note 7 - Non-current financial assets - Other financial assets

(₹ in lakh)

Particulars	As at	As at
	31 March 2022	31 March 2021
(unsecured and considered good unless otherwise specified, as considered by the management)		
Security deposits *	908.54	612.11
Unsecured, considered doubtful	2.82	2.82
less : Provision against advance	(2.82)	(2.82)
Other bank balances		
- Deposit account with other banks for more than 1 year^	23.34	-
	931.88	612.11

* Including of AGI Greenpac Limited of ₹ 12.07 lakh (previous year ₹ 14.59 lakh)

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



Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

Note 8 - Income Tax Assets (net)

(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Income tax assets (net)	87.76	-
	87.76	-

Note 9 - Deferred tax (net)

(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liability arising on account of		
Others	-	1.25
	-	1.25
Deferred tax asset arising on account of		
Deferred tax on business losses	1,140.46	1,866.07
Difference between book balance and tax balance of property, plant and equipment and Right-of-use asset (net of lease liability)	847.15	549.97
Provision for doubtful debts and loans and advances	1,224.05	1,119.79
Provision for employee benefits	252.39	78.26
MAT Credit entitlement	344.81	-
Others	15.24	38.90
	3,824.10	3,652.99
Deferred tax assets (net)	3,824.10	3,651.74

Deferred tax assets (net) in relation to:

(₹ in lakh)

Particulars	As at 1 April 2021	Recognised in statement of profit and loss	Recognised in other comprehensive income	Movement due to loss of control in subsidiary	Recognised directly in equity	As at 31 March 2022
Deferred tax liability arising on account of						
Others	1.25	(1.25)	-	-	-	-
Sub total	1.25	(1.25)	-	-	-	-
Deferred tax asset arising on account of						
Deferred tax on business losses	1,866.07	(630.90)	-	(94.71)	-	1,140.46
Difference between book balance and tax balance of property, plant and equipment and Right-of-use asset (net of lease liability)	549.97	291.99	-	5.19	-	847.15
Provision for doubtful debts and loans and advances	1,119.79	104.26	-	-	-	1,224.05
Provision for employee benefits	78.26	200.02	(19.26)	(6.63)	-	252.39
Others	38.90	(23.66)	-	-	-	15.24
Sub total	3,652.99	(58.29)	(19.26)	(96.15)	-	3,479.29
MAT Credit entitlement	-	344.81	-	-	-	344.81
Net deferred tax assets	3,651.74	287.77	(19.26)	(96.15)	-	3,824.10

Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

Deferred tax assets (net) in relation to:

							(₹ in lakh)
Particulars	As at 1 April 2020	Recognised in statement of profit and loss	Recognised in other comprehensive income	Movement due to loss of control in subsidiary	Recognised directly in equity	As at 31 March 2021	
Deferred tax liability arising on account of							
Others	-	1.25	-	-	-	1.25	
Sub total	-	1.25	-	-	-	1.25	
Deferred tax asset arising on account of							
Deferred tax on business losses	2,037.64	(171.57)	-	-	-	1,866.07	
Difference between book balance and tax balance of property, plant and equipment	1,213.83	(663.86)	-	-	-	549.97	
Provision for doubtful debts and loans and advances	775.34	344.45	-	-	-	1,119.79	
Provision for employee benefits	141.49	10.51	(73.74)	-	-	78.26	
Others	72.97	(34.07)	-	-	-	38.90	
Sub total	4,241.27	(514.54)	(73.74)	-	-	3,652.99	
MAT Credit entitlement	(0.03)	0.03	-	-	-	-	
Net deferred tax assets	4,241.30	(515.82)	(73.74)	-	-	3,651.74	

Note 10 - Other non-current assets

			(₹ in lakh)
Particulars	As at 31 March 2022	As at 31 March 2021	
(unsecured and considered good, unless stated otherwise, as considered by the management)			
Capital advances	1,576.48	207.70	
Considered doubtful	15.15	15.15	
Less : Provision for doubtful advances	(15.15)	(15.15)	
Prepaid expenses	30.29	0.18	
Balances with government authorities	397.86	374.20	
Others	1.00	1.00	
	2,005.63	583.08	

Note 11 - Inventories

			(₹ in lakh)
Particulars	As at 31 March 2022	As at 31 March 2021	
(valued at cost or net realisable value which ever is lower)			
Raw materials@	20,199.63	-	
Work-in-progress	3,639.30	-	
Finished goods (including stock-in-trade)@	41,760.59	27,867.28	
Stores and spares	755.07	125.16	
Packing material	1,025.88	25.94	
Oils, fuels, lubricants and others	150.52	-	
	67,530.99	28,018.38	



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(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
@Included above, goods-in-transit:		
Raw materials	3,523.19	-
Finished goods (including stock-in-trade)	220.67	35.72
	3,743.86	35.72

Notes

Refer note 25 for information on inventory hypothecated as security by the Group.

Note 12 - Current investments

Particulars	As at 31 March 2022		As at 31 March 2021	
	Units	Amount (₹ in lakh)	Units	Amount (₹ in lakh)
Fair value through profit and loss (FVTPL)				
Quoted investments				
Investments in mutual fund				
UTI Overnight Fund-Direct Growth Plan	17,184.72	500.07	10,700.32	301.50
Aditya Birla Sun Life overnight fund- Growth direct plan	-	-	36,093.27	401.70
Axis Overnight Fund Direct Growth	35,593.95	400.02	1,70,253.23	1,852.22
HDFC Overnight Fund-Direct Plan-Growth Option	57,010.74	1,800.09	-	-
HDFC Liquid Fund-Regular Plan-Growth	214.00	8.88	214.00	8.60
		2,709.06		2,564.02
Other disclosures				
Aggregate book value of quoted investments		2,708.69		2,559.66
Aggregate amount of market value of quoted investments		2,709.06		2,564.02

Note 13 - Trade receivables

(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Trade Receivables considered good - Secured	1,491.68	1,676.96
(ii) Trade Receivables considered good - Unsecured	29,097.92	39,088.23
(iii) Trade Receivables which have significant increase in Credit Risk	-	-
(iv) Trade Receivables - credit impaired	3,773.47	4,123.70
	34,363.07	44,888.89
Less: Provision for impairment/ expected credit loss	(3,773.47)	(4,123.70)
	30,589.60	40,765.19

Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

Ageing As at 31 March 2022

(₹ in lakh)

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	13,122.48	12,136.43	1,935.93	1,777.59	720.76	-	29,693.19
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	218.72	259.61	1,008.50	1,486.83
(iv) Disputed Trade Receivables- considered good	0.12	6.02	26.46	402.48	461.33	-	896.41
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	49.72	154.05	2,082.87	2,286.64
Total	13,122.60	12,142.45	1,962.39	2,448.51	1,595.74	3,091.37	34,363.07
Total Provision (iii+vi)	-	-	-	268.44	413.66	3,091.37	3,773.47

Ageing As at 31 March 2021

(₹ in lakh)

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	19,321.83	16,435.23	1,677.46	1,685.44	597.81	-	39,717.77
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	8.34	265.94	214.18	1,831.06	2,319.52
(iv) Disputed Trade Receivables- considered good	-	8.70	29.52	442.33	566.87	-	1,047.42
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	0.00	49.15	188.24	1,566.79	1,804.18
Total	19,321.83	16,443.93	1,715.32	2,442.86	1,567.10	3,397.85	44,888.89
Total Provision (iii+vi)	-	-	8.34	315.09	402.42	3,397.85	4,123.70

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

(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	4,123.70	2,932.04
Expected credit losses provided for during the year (refer note 39)	1,071.29	1,191.66
Amounts written back during the year (net)	(1,421.52)	-
	3,773.47	4,123.70

Trade receivables are hypothecated against the borrowings obtained by the Group as referred in note 25



Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

Note 14 - Cash and cash equivalents

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Balances with banks	2,537.20	353.71
Cheques, drafts in hand	38.25	0.34
Cash in hand	8.02	4.00
Remittance in transit	64.30	402.39
	2,647.77	760.44

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

Note 15 - Bank balances other than cash and cash equivalents

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Earmarked balances with banks		
Unpaid dividends accounts *	6.61	1.18
	6.61	1.18

* Not due for deposit in the investor education and protection fund

Note 16 - Current financial assets - Other financial assets

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
(unsecured and considered good by the management)		
Other financial assets		
Interest accrued on deposits, loans and advances	11.96	-
Security Deposit [^]	69.74	59.59
Other Receivable *	1,687.11	-
	1,768.81	59.59

* including of AGI Greenpac Limited of ₹ 209.98 lakh (previous year Nil) and Hintastica Private Limited of ₹ 610.57 lakh (previous year Nil).

[^] Including of AGI Greenpac Limited of ₹ 62.11 lakh (previous year ₹ 59.59 lakh)

Note 17 - Other current assets

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
(unsecured and considered good by the management)		
Prepaid expenses	396.77	91.07
Balances with government authorities	7,096.53	5,274.97
Others		
- Advance to suppliers *	5,084.85	3,938.50
Considered doubtful	124.36	124.36
less : Provision against Advance to suppliers	(124.36)	(124.36)
- Employee advances	58.74	36.04
- Other current assets#	942.96	740.52
Considered doubtful	706.66	52.41
Less : Provision for doubtful advances	(706.66)	(52.41)
	13,579.85	10,081.10

* including of AGI Greenpac Limited of Nil (previous year ₹ 2,078.91 lakh)

including of Hintastica Private Limited ₹ 42.52 lakh (previous year Nil)

Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

Note 18 - Equity share capital

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	(₹ in lakh)	No. of shares	(₹ in lakh)
Authorised:				
Equity shares of ₹ 2 each	7,50,00,000	1,500.00	7,50,00,000	1,500.00
Issued:				
Equity shares of ₹ 2 each	7,22,96,395	1,445.93	7,22,96,395	1,445.93
Subscribed and fully paid:				
Equity shares of ₹ 2 each	7,22,96,395	1,445.93	7,22,96,395	1,445.93
	7,22,96,395	1,445.93	7,22,96,395	1,445.93

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	(₹ in lakh)	Number	(₹ in lakh)
Equity shares outstanding at the beginning of the year	7,22,96,395	1,445.93	7,22,96,395	1,445.93
Add: Shares issued during the year	-	-	-	-
Equity shares outstanding at the end of the year	7,22,96,395	1,445.93	7,22,96,395	1,445.93

(b) Statement of changes in promoters stake

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

S. No	Promoter name	As at 31 March 2022		As at 31 March 2021		%Change during the year
		No. of shares	% of holding	No. of shares	% of holding	
1	Rajendra Kumar Somany	36,45,000	5.04%	35,95,000	4.97%	1.39%
2	Sandip Somany	23,94,731	3.31%	23,94,731	3.31%	-
3	Sumita Somany	1,61,000	0.22%	1,61,000	0.22%	-
4	Divya Somany	1,46,912	0.20%	1,46,912	0.20%	-
5	Sandip Somany Huf	95,832	0.13%	95,832	0.13%	-
6	Shashvat Somany	76,244	0.11%	76,244	0.11%	-
7	Somany Impresa Limited	3,05,79,968	42.30%	3,04,79,968	42.16%	0.33%
8	Matterhorn Trust	100	0.00%	100	0.00%	-
Total		3,70,99,787	51.32%	3,69,49,787	51.11%	

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

(c) Terms and rights attached to equity shares

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

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

Name of Shareholder	As at 31 March 2022		As at 31 March 2021	
	Number	% of holding	Number	% of holding
Somany Impresa Limited	3,05,79,968	42.30%	3,04,79,968	42.16%
Rajendra Kumar Somany	36,45,000	5.04%	35,95,000	4.97%



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- (e) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus shares and bought back during the last 5 years.
- (f) Pursuant to the Scheme of arrangement the Company had issued 7,22,96,395 equity shares to the shareholders of AGI Greenpac Limited (formerly HSIL Limited). On 23rd August 2019 (Allotment date) Hindware Home Innovation Limited had issued one equity share for every equity share held of AGI Greenpac Limited on the date of 20th August, 2019 (Record date) for consideration other than cash.

Note 19 - Other equity

Particulars	Reserves and surplus					Other comprehensive income	Total
	Capital reserve	Securities premium	General reserve	Retained earnings	Actuarial gain / (loss)	Foreign currency translation reserve	
Balance as at 1 April 2020	49.88	7,238.97	2,449.08	16,164.95	26.34	47.27	25,976.49
Profit for the year	-	-	-	5,484.28	-	-	5,484.28
Other comprehensive income for the year(net of tax)	-	-	-	-	195.47	0.58	196.05
Payment of dividend	-	-	-	(108.44)	-	-	(108.44)
Balance as at 31 March 2021	49.88	7,238.97	2,449.08	21,540.79	221.81	47.85	31,548.38
Profit for the year	-	-	-	20,168.36	-	-	20,168.36
Other comprehensive income for the year(net of tax)	-	-	-	-	52.67	(0.48)	52.19
Payment of dividend	-	-	-	(578.37)	-	-	(578.37)
Balance as at 31 March 2022	49.88	7,238.97	2,449.08	41,130.78	274.48	47.37	51,190.56

Nature and purpose of other reserves:

- Capital reserve was created on amalgamation of certain entities/undertaking into the Group.
- Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.
- General reserves was created by transferring certain amount out of profits at the time of distribution of dividend in the past.

Note 20 - Non current financial liabilities - Borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Measured at amortised cost		
Secured:		
Term loans from banks:		
Rupee loans	1,275.00	4,750.00
Term loans from non-banking finance company:		
Vehicle loan	3.59	6.96
	1,278.59	4,756.96
Less: Current maturities of long term borrowing (refer note 25)	228.59	503.32
	1,050.00	4,253.64

Note:

- Rupee Loan of ₹ 1,275 lakh (previous year ₹ 1,425 lakh) is secured by First Pari Passu charge on Movable Fixed Assets (PPE) of the group, repayable in 10 half yearly instalments from June 2022 to December 2026 carrying interest rate @ MCLR + 8 bps

Significant accounting policies and other explanatory information to the consolidated financial statements

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

Note 21 - Non-current financial liabilities - Lease liabilities

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Lease liabilities (refer note 49)	20,888.05	4,399.31
	20,888.05	4,399.31

Note 22 - Non-current financial liabilities - other financial liabilities

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Trade deposits	3,928.80	3,200.61
	3,928.80	3,200.61

Note 23 - Other non-current liabilities

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Employee related payables	386.74	144.88
	386.74	144.88

Note 24 - Non-current liabilities - provisions

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Long-term employee benefits		
Provision for compensated absences	731.43	495.45
Provision for long service award	104.05	88.85
Provision for gratuity	0.74	11.67
Provision for warranty	356.07	231.64
	1,192.29	827.61

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

Particulars	Amount (₹ in lakh)
Balance as at 1 April 2020	391.05
Additional provisions recognised (included in Other expenses)	98.50
Utilised during the year	-
	489.55
Less: Current liability (refer note 30)	257.91
Balance as at 31 March 2021	231.64
Balance as at 1 April 2021	489.55
Additional provisions recognised (included in other expenses)	59.98
Liability assumed on Business acquisition (refer note 52)	64.45
Utilised during the year	-
	613.98
Less: Current liability (refer note 30)	257.91
Balance as at 31 March 2022	356.07



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Warranty claims:

The provision for warranty claims represent the present value of best estimate of the future outflow of economic benefits that will be required under the company/group obligations for warranties under the 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.

Note 25 - Current financial liabilities - Borrowings

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Secured borrowings		
From banks		
Cash credit - loans repayable on demand	2,143.53	1,209.88
Working capital demand loan	10,900.00	12,976.86
	13,043.53	14,186.74
Current maturities of long term borrowings	228.59	503.32
	13,272.12	14,690.06

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

Secured borrowings

Cash credit facilities :

- a) 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.

Short term loan facilities :

- b) Working Capital and Cash credit facilities are secured by hypothecation of Inventories, finished, semi-finished goods and receivables of the Group. The Working Capital facilities and cash credit facilities are repayable on demand.
- c) The interest rate for the above short term borrowings varies from REPO + 1% to MCLR + 3.45% p.a.
- d) The Group has been sanctioned a working capital limit in excess of ₹ 5 crore, in aggregate, at points of time during the year, from bank on the basis of security of current assets. The quarterly returns/ statements filed by the group with the bank, are generally in agreement with the unaudited books of accounts of the company of the respective quarters, and differences if any are not material and are not having any impact over actual withdrawal/ utilization of working capital limits.

Note 26 - Current financial liabilities - Lease liabilities

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Lease liabilities (refer note 49)	2,189.24	905.19
	2,189.24	905.19

Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

Note 27 - Trade payables

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Due to Micro, Small and Medium Enterprises (MSME)	6,884.18	4,705.98
Other than Due to Micro, Small and Medium Enterprises (MSME)*	18,354.80	9,679.24
Total	25,238.98	14,385.22

* Including of AGI Greenpac Limited of ₹ 4,505.82 lakh (previous year ₹ 1,558.89 lakh)

Ageing as at 31 March 2022

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due*	less than 1 year	1-2 years	2-3 years	More than 3 years	
i MSME	590.53	4,692.80	1,578.80	15.16	3.05	3.84	6,884.18
ii Others	3,714.08	12,043.45	2,295.50	180.50	16.77	104.50	18,354.80
Total							25,238.98

* including liability assumed on Business acquisition (refer note 52)

Ageing as at 31 March 2021

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	less than 1 year	1-2 years	2-3 years	More than 3 years	
i MSME	3.76	3,200.33	1,474.01	17.18	10.70	-	4,705.98
ii Others	1,095.11	3,867.22	3,258.15	1,371.63	73.91	13.22	9,679.24
Total							14,385.22

Disclosure under MSME Act, 2006

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

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Principal amount overdue remaining unpaid to any supplier	2,014.70	1,166.86
Interest due thereon remaining unpaid to any supplier	47.98	17.92
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	96.26	212.24
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	270.81	347.67
Liability assumed under business acquisition (refer note 52)	45.24	-
Liability derecognised due to loss of control (refer note 53)	1.28	-
Interest accrued and remaining unpaid	632.08	365.59



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Note 28 - Current financial liabilities - Other financial liabilities

(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings	32.34	61.50
Unpaid dividends [^]	6.61	1.18
Earnest money deposits	16.63	4.21
Security deposits/retention money payable	447.70	98.33
Others		
Towards capital creditors #	314.75	176.79
Employee related payables	4,106.78	2,824.84
Towards expenses payable *	6,953.33	5,729.52
Commission payable to directors	165.84	254.01
Gratuity payable (net obligation)	143.15	92.44
Other payables**	72,440.98	10,653.58
	84,628.11	19,896.40

[^] Not due for deposit in Investors Education and Protection Fund

including of AGI Greenpac Limited of Nil (previous year ₹ 173.12 lakh)

* including of AGI Greenpac Limited of ₹ 85.22 lakh (previous year ₹ 839.87 lakh)

** Including of AGI Greenpac Limited ₹ 59,095.55 lakh (previous year nil) (refer note 52)

Note 29 - Other current liabilities

(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Advances received from customers	1,218.60	827.93
Payable towards statutory dues	7,063.53	5,384.03
Other payables	70.89	76.81
	8,353.02	6,288.77

Note 30 - Current liabilities - provisions

(₹ in lakh)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Long-term employee benefits		
Provision for compensated absences	283.71	52.02
Provision for long service award	263.36	5.80
Provision for gratuity	0.02	0.18
Provision for warranty (also refer note 24)	257.91	257.91
	805.00	315.91

Warranty claims:

The provision for warranty claims represent the present value of best estimate of the future outflow of economic benefits that will be required under the company/group obligations for warranties under the 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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Note 31 - Current tax liabilities (net)

Particulars	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Current tax liabilities (net)	-	1,556.19
	-	1,556.19

Note 32 - Revenue from operations

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
i) Revenue from operations		
Sale of goods	2,25,119.84	1,74,458.63
Sale from rendering of services	175.11	195.86
Other operating revenue @	4,068.25	2,866.77
	2,29,363.20	1,77,521.26
Segment wise revenue information		
a) Consumer appliances business	43,107.25	45,469.47
b) Retail business	6,710.31	5,851.13
c) Building products	1,79,545.64	1,26,196.01
d) Others	-	4.65
Total revenue from operations	2,29,363.20	1,77,521.26
ii) Unsatisfied Performance Obligation		
Aggregated amount of Transaction Price allocated to the contracts that are fully or partially unsatisfied at the end of the reporting period		
i) Sale of Goods	1,218.60	827.93
iii) Reconciliation of contract price vis a vis revenue recognised in profit and loss statement is as follows:-		
Contract Price		
a) Sale of goods & services	3,58,113.94	2,67,689.29
b) Sale of Service	175.11	195.86
c) Other operating revenue	4,068.25	2,866.77
Adjustment:-		
Discount/Rebate	1,32,994.10	93,230.66
Revenue recognised in the statement of profit and loss account	2,29,363.20	1,77,521.26
@ Other operating revenues comprise of:		
Sundry balances and liabilities no longer required, written back	2,096.68	1,861.53
Gain on foreign exchange fluctuations	183.55	215.67
Insurance claims received	218.11	220.01
Scrap sales	20.38	9.52
Miscellaneous receipts	1,549.53	560.04
	4,068.25	2,866.77



Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

Note 33 - Other income

(₹ in lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income on financial assets	26.19	84.18
Excess balances and liabilities written back	-	0.09
Rental income	0.04	0.08
Profit on sale of current investments (net)	138.15	1.28
Profit on sale of property, plant and equipment	9.78	11.34
Gain arising on financials instruments designated as at FVTPL (net)	0.37	4.09
Management fee	1,745.48	1,193.26
Miscellaneous income	1,009.95	512.67
	2,929.96	1,806.99

Note 34 - Purchases of traded goods

(₹ in lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sanitaryware and other products	1,29,864.41	83,620.48
Consumer appliances home furnishing and others	34,646.17	32,632.01
	1,64,510.58	1,16,252.49

Note 35 - Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories at the end of the year:		
Finished goods (including stock-in-trade) (A)	41,760.59	27,867.28
	41,760.59	27,867.28
Inventories at the beginning of the year:		
Finished goods (including stock-in-trade) (B)	27,867.28	30,997.93
	27,867.28	30,997.93
Change in inventories (C=B-A)	(13,893.31)	3,130.65
Inventory (Finished goods) transferred under Business acquisition (refer note 52) (D)	7,126.77	-
Change due to loss of control (refer note 53) (E)	(1,289.34)	-
Changes in inventories of stock-in-trade (F=C+D+E)	(8,055.88)	3,130.65

Note 36 - Employee benefits expense

(₹ in lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	21,088.60	16,475.22
Contribution to provident funds and other funds	990.32	871.91
Staff welfare expenses	1,023.72	736.35
	23,102.64	18,083.48

Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

Note 37 - Finance cost

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense on financial liabilities	725.84	2,154.30
Interest on lease liability (refer note 49)	840.31	591.07
Other interest expense	475.77	203.39
	2,041.92	2,948.76

Note 38 - Depreciation and amortisation

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation, amortisation and impairment of property, plant and equipment (also refer note 4a)	2,214.57	2,486.07
Depreciation on right of use- building (Refer note 4a)	1,649.10	1,373.31
Amortisation of other intangible assets (also refer note 5a)	69.83	68.11
	3,933.50	3,927.49

Note 39 - Other expenses

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Power and fuel	59.28	71.74
Consumption of stores and spares	20.25	8.31
Consumption of packing material	753.12	506.56
Repairs and maintenance:		
Buildings	22.81	5.54
Plant and machinery	8.43	1.87
Others	553.51	454.99
Rent (including hire charges)	1,113.98	1,260.92
Rates and taxes	32.19	42.25
Directors sitting fees	19.90	15.45
Insurance	962.80	331.30
Travelling and conveyance	3,004.44	2,095.09
Commission on sales	367.45	334.66
Freight and forwarding charges	97.63	111.95
Advertisement and publicity	8,484.31	6,875.07
Transportation and forwarding	9,509.97	7,632.17
Sales promotion expenses	663.65	609.25
Other selling expenses	1,712.99	1,402.81
Provision for expected credit loss (Refer note 13)	1,071.29	1,191.66
Provision for doubtful advances/debts	635.75	79.75
Bad debts written off	1,429.22	
Less: Withdrawal from expected credit loss (refer note 13)	(1,421.52)	



Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

(₹ in lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Bad debts written off	7.70	5.44
Corporate social responsibility expenditure	111.51	42.00
Charity and donation	5.00	26.00
Loss on sale of property, plant and equipment	116.62	38.09
Management fees	113.04	337.08
Miscellaneous expenses	2,875.72	2,263.95
	32,323.34	25,743.90

Note 40 Current tax and deferred tax

(a) Income tax expense through profit and loss

(₹ in lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax:		
Current income tax charge (including Minimum alternate tax)	4,461.77	3,668.85
Minimum Alternative Tax entitlement / (charged)	(344.81)	0.03
Earlier year income tax	-	(427.47)
	4,116.96	3,241.41
Deferred tax:		
In respect of current year origination and reversal of temporary differences	57.04	515.79
Total tax expense recognised in profit and loss account	4,174.00	3,757.20

(b) Income tax on other comprehensive income

(₹ in lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax		
Re-measurement of defined benefit obligations	(19.26)	(73.74)
	(19.26)	(73.74)

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

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the holding company at 34.944% (31 March 2021: 34.944%) and the reported tax expense in the statement of profit and loss are as follows:

(₹ in lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before exceptional item and tax	14,437.06	9,241.48
Domestic tax rate for the holding Company	34.944%	34.944%
Latest statutory enacted income tax for the Company	5,044.89	3,229.34
Tax effect of :		
- Non deductible expenses	186.13	180.28
- Differential tax rate for foreign subsidiaries	4.69	8.28
- Differential tax rate of domestic subsidiaries	(1,509.57)	(854.48)
- Dividend elimination	856.13	-
- Capital gain tax on slump sale	-	805.42

Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

(₹ in lakh)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
- Goodwill impact	-	866.22
- Earlier year income tax	-	(427.44)
- Deduction u/s 80 M	(202.11)	-
- Deferred tax not recognised on subsidiary companies loss	-	(71.23)
Others	(206.16)	20.81
Income-tax recognised in statement of profit and loss	4,174.00	3,757.20

(d) There is no change in statutory enacted income-tax rate during the financial year.

Note 41 - Earnings per share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit for the year attributable to owners of the Company (₹ in lakh)	20,168.36	5,484.28
Weighted average number of equity shares (nos.)	7,22,96,395	7,22,96,395
Nominal value per share (₹)	2.00	2.00
Earnings per share - basic and diluted (₹)	27.90	7.59

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

Note 42 - 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	Name of related party (as identified by the management)
Key management personnel (KMP)	Executive director
	Mr. Rakesh Kaul- Whole-Time Director and CEO
	Executive/ Key Managerial Personnel
	Mr. Naveen Malik- Chief Financial Officer
	Ms. Payal M Puri- Company Secretary
	Non-executive directors
	Mr. Sandip Somany (Non-Executive Non-Independent Director)
	Mr. Ashok Jaipuria- Independent Director
	Mr. Nand Gopal Khaitan- Independent Director
	Mr. Salil Kumar Bhandari- Independent Director
Ms. Anisha Motwani- Independent Director	
Relatives of Key management personnel	Ms. Sumita Somany (Wife of Mr. Sandip Somany)
Joint venture	Hintastica Private Limited (Ceased to be subsidiary w.e.f. 20 th May 2021 and became 50:50 joint venture ("JV") between the Company and Groupe Atlantic.
Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company	Textool Mercantile Private Limited
	Khaitan & Co., LLP
	SHIL Employee gratuity fund
Corporate Social Responsibility	HSIL Corporate Social Responsibility Foundation
Post employment benefit plan	SHIL Employee gratuity fund
	Brilloca Employee Gratuity Fund
Others	AGI Greenpac Limited (formerly known as "HSIL Limited")



Significant accounting policies and other explanatory information to the consolidated financial statements

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

(₹ in lakh)

Particulars	Joint Venture		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Transactions during the year*				
1. Sale of goods to				
AGI Greenpac Limited	-	-	315.21	28.92
Hintastica Private Limited	204.11	-	-	-
2. Sale of property plant & equipment to				
AGI Greenpac Limited	-	-	1.17	32.96
Hintastica Private Limited	7.33	-	-	-
3. Purchase of property plant & equipment from				
AGI Greenpac Limited	-	-	8.91	798.77
4. Purchase of goods from				
AGI Greenpac Limited	-	-	93,038.71	60,059.69
5. Reimbursement of expenses paid to				
AGI Greenpac Limited	-	-	222.73	18.36
6. Reimbursement of expenses received from				
AGI Greenpac Limited	-	-	10.40	3.58
Hintastica Private Limited	52.38	-	-	-
7. Reimbursement of VAT/CST liability paid to				
AGI Greenpac Limited	-	-	96.21	-
8. Payment for Management support services received				
AGI Greenpac Limited	-	-	1,716.13	1,193.26
Hintastica Private Limited	391.86	-	-	-
9. Management fees paid to				
AGI Greenpac Limited	-	-	1.48	337.08
10. Rent paid to				
AGI Greenpac Limited	-	-	830.60	890.20
Textool Mercantile Private Limited	-	-	-	2.80
11. Rent received from				
Hintastica Private Limited	122.22	-	-	-
12. Royalty received from				
Hintastica Private Limited	41.18	-	-	-
13. Contribution made				
SHIL Employee gratuity fund	-	-	44.74	-
Brillocca Employee Gratuity Fund	-	-	124.69	-
14. Corporate Social Responsibility				
HSIL Corporate Social Responsibility Foundation	-	-	30.00	-
15. Consultancy fees paid to				
Khaitan & Co. LLP	-	-	0.34	1.50
16. Security Deposit given to				
AGI Greenpac Limited	-	-	-	74.18
17. Corporate Guarantee provided to				
Hintastica Private Limited	4,450.00	-	-	-
18. Investment made in				
Equity shares in Hintastica Private Limited	2,766.39	-	-	-

Significant accounting policies and other explanatory information to the consolidated financial statements

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(₹ in lakh)

Particulars	Joint Venture		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
19. Purchase of investments from				
AGI Greenpac Limited	-	-	1.00	-
20. Purchase of BPD business under slump sale				
AGI Greenpac Limited	-	-	69,995.55	-
Balances outstanding at the end of the year				
AGI Greenpac Limited - Payable				
- Slump sale	-	-	59,095.55	-
- Others	-	-	4,306.88	418.79
Khaitan & Co. LLP - Payable	-	-	0.08	0.51
Hintastica Private Limited				
Corporate Guarantee outstanding	9,450.00	-	-	-
Other receivable	895.68	-	-	-

*Exclusive of GST, wherever applicable

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

(₹ in lakh)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of good to		
Mr Salil Bhandari	-	0.50
Remuneration to Key Managerial Personnel		
Mr. Sandip Somany	1,456.84	496.71
Mr. Rakesh Kaul	245.07	182.25
Mr. Naveen Malik	87.99	73.01
Ms. Payal Puri	84.80	69.29
Mrs. Sumita Somany	94.91	58.37
Commission and other payments to non executive directors	93.72	58.41
Remuneration payable		
Mr. Sandip Somany	601.83	153.87
Mr. Rakesh Kaul	8.71	4.33
Mr. Naveen Malik	2.27	4.36
Ms. Payal Puri	3.39	4.44
Ms Sumita Somany	1.09	2.59
Commission and other payments to non executive directors	79.12	46.95



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

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
Short-term employee benefits#	1,951.60	890.44
Post-employment benefits		
- Defined contribution plan \$	111.73	47.60
	2,063.33	938.04

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

\$ Including provident fund, leave encashment paid and any other benefit.

Disclosure pursuant to Regulation 34(3) read with Schedule V, part A, Clause 2(2A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

Promoter/promoter group companies holding more than 10% of equity share capital of the Company:

AGI Greenpac Limited

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Nature of transaction*		
1. Purchase of Sanitaryware, faucet, pipe and other products	93,038.71	60,059.69
2. Sale of goods	315.21	28.92
3. Sale of assets	1.17	32.96
4. Purchase of investments	1.00	-
5. Purchase of property plant & equipment and CWIP	8.91	798.77
6. Purchase of BPD business under slump sale	69,995.55	-
7. Godown rent	830.60	890.20
8. Security deposit	-	74.18
9. Management support services received	1.48	337.08
10. Management support services provided	1,716.13	1,193.26
11. Reimbursement of expenses received	10.40	3.58
12. Reimbursement of expenses paid to	222.73	18.36
13. Reimbursement of VAT/CST liability paid to	96.21	-
Balances outstanding as at the end of the year		
Payable outstanding		
- Slump sale	59,095.55	-
- Others	4,306.88	418.79

*Exclusive of GST, wherever applicable

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

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
(As certified by the management)		
a) Demands raised by the service-tax authorities against which appeals have been filed	77.77	77.77
b) Demands made by the sales tax authorities against which appeals have been filed	1,562.12	1,430.12
c) Demand raised by the goods and service tax authority	189.42	189.42
d) Claims against the Group not acknowledged as debts	356.55	334.22

Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

Note - 44 Capital and other commitments

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
a) Commitments relating to contracts remaining to be executed on capital account and other commitments not provided for	6,802.95	493.99

Note - 45 Payment to Statutory Auditors (excluding goods and service tax)

Particulars	(₹ in lakh)	
	Year ended 31 March 2022	Year ended 31 March 2021
As auditors	22.40	21.17
For taxation matters	5.03	4.75
Other services	7.59	8.58
For reimbursement of expenses	3.10	0.93
	38.12	35.43

Note - 46 Financial instruments and risk review

Capital management

The Group manages its capital to be able to continue as a going concern while maximising the returns to shareholders through optimisation of the debt and equity balance. The capital structure consists of debt which includes the borrowings as disclosed in note 20 and 25; cash and cash equivalents as disclosed in note 14 and equity attributable to equity holders of the Group, comprising issued share capital, reserves and retained earnings as disclosed in the Statement of changes in equity. For the purpose of calculating gearing ratio, debt is defined as non current and current borrowings (excluding derivatives). Equity includes all capital and reserves of the Group attributable to equity holders of the Company. The Group is not subject to externally imposed capital requirements. The Board of Directors of the respective company in the Group reviews the capital structure and cost of capital on an annual basis but has not set specific targets for gearing ratios. The risks associated with each class of capital are also considered as part of the risk reviews presented to the Audit Committee and the Board of Directors of the respective company in the Group.

The following table summarises the capital of the Company

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Equity	52,636.49	32,994.31
Liquid assets (cash and cash equivalent and current investments) (a)	5,356.83	3,324.46
Current borrowings (note 25)	13,043.53	14,186.74
Non- current borrowings (note 20)	1,050.00	4,253.64
Current maturities of non current borrowings (refer note 25)	228.59	503.32
Total debt (b)	14,322.12	18,943.70
Net debt [c = (b) - (a)]	8,965.29	15,619.24
Total capital (equity+net debt)	61,601.78	48,613.55
Gearing ratio		
Debt to equity	27%	57%
Net debt to equity ratio	17%	47%



Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

Categories of financial instruments

Categories of financial assets/(liabilities)

(₹ in lakh)

Particulars	Notes	31 March 2022			31 March 2021		
		Carrying value	Gain/(loss) to income	Gain/(loss) to equity	Carrying value	Gain/(loss) to income	Gain/(loss) to equity
Financial assets measured at amortised costs							
Trade receivable	13	30,589.60	-	-	40,765.19	-	-
Other financial assets	7, 16	2,700.69	-	-	671.70	-	-
Cash and bank balances	14, 15	2,654.38	-	-	761.62	-	-
Investments in Hintastica Private Limited	6	8,733.77	-	-	-	-	-
Investments	6	1.01	-	-	-	-	-
Loans and other receivables		44,679.45	-	-	42,198.51	-	-
Financial assets measured at fair value							
Investments	12	2,709.06	0.37	-	2,564.02	4.09	-
Financial assets at fair value		2,709.06	0.37	-	2,564.02	4.09	-
Total financial assets		47,388.51	0.37	-	44,762.53	4.09	-

(₹ in lakh)

Financial liabilities	Notes	31 March 2022			31 March 2021		
		Carrying value	Gain/(loss) to income	Gain/(loss) to equity	Carrying value	Gain/(loss) to income	Gain/(loss) to equity
Financial liabilities measured at amortised cost							
Current payables	25, 27, 28	1,23,139.21	-	-	48,971.67	-	-
Lease	21, 26	23,077.29	-	-	5,304.50	-	-
Non-current payables	22	3,928.80	-	-	3,200.61	-	-
Non-current borrowings	20	1,050.00	-	-	4,253.64	-	-
Financial liabilities measured at amortised cost		1,51,195.30	-	-	61,730.42	-	-
Total financial assets/(liabilities)		(1,03,806.79)	0.37	-	(16,967.89)	4.09	-

Financial risk management objective

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

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

Credit risk:

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

Cash and cash equivalents and short term investments

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

Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

Trade receivables

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

The average credit period taken on sales of goods is 30 to 90 days. Generally, no interest has been charged on the receivables. Allowances against doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

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

Expected credit loss :

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

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

Ageing of past due trade receivables

Period	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Not due for payment	13,122.60	19,321.83
Up to 6 months	12,142.45	16,443.93
From 6 months to 1 year	1,962.39	1,715.31
From 1 year to 3 years	4,044.26	4,009.96
More than 3 years	3,091.37	3,397.86

Ageing of impaired trade receivables

Period	(₹ in lakh)	
	As at 31 March 2022	As at 31 March 2021
Up to 6 months	-	-
From 6 months to 1 year *	-	8.34
From 1 year to 3 years	682.10	717.51
More than 3 years	3,091.37	3,397.85

* Based upon lifetime expected credit loss



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for the year ended 31 March 2022

Liquidity risk:

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

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

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

(₹ in lakh)

Particulars	As at 31 March 2022				Total
	Notes	not later than one year	later than one year and not later than five years	later than five years	
Financial liabilities					
Borrowings - bank loans	20,25	13,272.12	1,050.00	-	14,322.12
Current payables	26,27,28	1,13,614.47	-	-	1,13,614.47
Non-current payables	21	-	13,821.25	17,305.47	31,126.72
Total		1,26,886.59	14,871.25	17,305.47	1,59,063.31

(₹ in lakh)

Particulars	As at 31 March 2021				Total
	Notes	not later than one year	later than one year and not later than five years	later than five years	
Financial liabilities					
Borrowings - bank loans	20,25	14,690.06	3,003.64	1,250.00	18,943.70
Current payables	26,27,28	35,579.87	-	-	35,579.87
Non-current payables	21	-	3,919.41	4,718.86	8,638.27
Total		50,269.93	6,923.05	5,968.86	63,161.84

Market risk

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

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

Forward foreign exchange contract to hedge the exchange rate risk arising on translation of the foreign currency loans.

Currency risk

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

The Group transacts business primarily in Indian Rupee, Euro and USD. The Group 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 Group act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Group adopted a policy of selective hedging based on risk perception of the management. Foreign exchange hedging contracts are carried at fair value.

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for the year ended 31 March 2022

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

(in lakh)			
Particulars	Currency	As at	As at
		31 March 2022	31 March 2021
Trade receivables	USD	2.68	5.77
Trade payables	USD	104.55	38.77
	EUR	0.18	0.68

Currency rate	As at	As at
	31 March 2022	31 March 2021
USD	75.8071	73.5047
EUR	84.6599	86.0990

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

(in lakh)			
Particulars	Currency	As at	As at
		31 March 2022	31 March 2021
Trade receivables	USD	2.68	5.77
Trade payables	USD	104.55	38.77
	EUR	0.18	0.68

Sensitivity analysis

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

(₹ in lakh)			
Currency	Change in currency exchange rate	Effect on profit before tax	Effect on profit before tax
		31 March 2022	31 March 2021
USD	5%	(386.12)	(121.27)
	-5%	386.12	121.27
EUR	5%	(0.78)	(2.91)
	-5%	0.78	2.91

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

Interest rate risk

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



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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 2022	Effect on profit before tax 31 March 2021
Non-current borrowings	0.50%	(6.39)	(23.78)
	-0.50%	6.39	23.78

Commodity risk

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

Fair valuation techniques and inputs used

Financial liabilities	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
	As at 31 March 2022	As at 31 March 2021				
Current investments	2,709.06	2,564.02	1	-	-	-
Corporate guarantee	13.00	-	3	Option pricing method of income approach	-	-

Other financial instruments

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

Note 47 - Segment reporting

Identification of segment:

The group's operating business are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The group has accordingly identified to primary business segments i.e. building products, consumer appliances, and retail business.

The activities of the group are primarily limited with in the Indian Territories having no variation in risk and returns. Consequently, information in respect of geographical segment in not given.

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Unallocated items: The corporate and other segment includes general corporate income and expense items, which is not allocated to any business segment.

							(₹ in lakh)
Particulars	Building products	Consumer products	Retail business	Others	Inter segment elimination	Unallocated	Total
Segment revenue							
For the year ended 31 March 2022	1,79,545.64	43,107.25	6,710.31	-	-	-	2,29,363.20
For the year ended 31 March 2021	1,26,196.01	45,469.47	5,851.13	4.65	-	-	1,77,521.26
Other income							
For the year ended 31 March 2022	1,988.97	764.23	163.75	-	-	13.01	2,929.96
For the year ended 31 March 2021	1,421.95	218.94	158.77	0.58	-	6.75	1,806.99
Segment results							
For the year ended 31 March 2022	15,798.98	570.48	417.47	(31.65)	-	(276.31)	16,478.97
For the year ended 31 March 2021	10,569.76	2,626.58	(752.35)	(23.87)	-	(229.88)	12,190.24
Interest expenses							
For the year ended 31 March 2022							2,041.92
For the year ended 31 March 2021							2,948.76
Exceptional item							
For the year ended 31 March 2022	-	-	-	-	-	10,086.09	10,086.09
For the year ended 31 March 2021	-	-	-	-	-	-	-
Income tax (including deferred tax)							
For the year ended 31 March 2022							4,174.00
For the year ended 31 March 2021							3,757.20
Profit after tax							
For the year ended 31 March 2022							20,349.15
For the year ended 31 March 2021							5,484.28
Share in profit/(loss) from joint venture							
For the year ended 31 March 2022							(180.79)
For the year ended 31 March 2021							-
Total profit/(loss)							
For the year ended 31 March 2022							20,168.36
For the year ended 31 March 2021							(5,484.28)
Other information							
Segment assets							
31 March 2022	1,57,775.19	42,514.17	4,866.12	38.99	-	9,374.37	2,14,568.84
31 March 2021	62,261.39	35,315.15	3,797.27	71.99	-	2,412.30	1,03,858.10
Segment liabilities							
31 March 2022	1,24,456.20	33,349.28	3,989.54	1.14	-	136.20	1,61,932.36
31 March 2021	38,372.99	25,769.12	5,863.15	8.05	-	850.48	70,863.79
Capital expenditure							
For the year ended 31 March 2022	2,301.21	921.35	10.47	-	-	-	3,233.03
For the year ended 31 March 2021	1,318.52	1,631.76	13.57	-	-	(4.64)	2,959.21
Assets acquired through Business acquisition							
For the year ended 31 March 2022	46,223.69	-	-	-	-	-	46,223.69
For the year ended 31 March 2021	-	-	-	-	-	-	-



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(₹ in lakh)

Particulars	Building products	Consumer products	Retail business	Others	Inter segment elimination	Unallocated	Total
Depreciation and amortisation							
For the year ended 31 March 2022	2,508.36	1,175.21	245.97	3.96	-	-	3,933.50
For the year ended 31 March 2021	2,375.18	739.12	809.41	3.78	-	-	3,927.49
Other non-cash expenses							
Provision for doubtful debts and advances							
For the year ended 31 March 2022	1,459.38	300.62	(52.96)	-	-	-	1,707.04
For the year ended 31 March 2021	1,021.13	250.28	-	-	-	-	1,271.41

Note 48 - Employee benefits

A. Defined contribution plan

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

The Group's contribution to Provident Fund and Superannuation Fund aggregating to ₹ 760.24 lakh (previous year ₹ 605.79 lakh) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

B. Defined benefit plans

Gratuity

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

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

(₹ in lakh)

Particulars	Gratuity (Funded plan)	
	31 March 2022	31 March 2021
Current service cost	214.52	187.32
Net interest expense/(income)	2.72	6.34
Components of defined benefit costs recognised in profit or loss	217.24	193.66
Net actuarial (gain)/loss	(83.83)	(44.31)
Expected return on plan assets excluding interest income	12.21	(223.57)
Components of defined benefit costs recognised in other comprehensive income	(71.62)	(267.88)
I. Net asset/(liability) recognised in the balance sheet as at 31 March		
1. Present value of defined benefit obligation	2,373.33	766.88
2. Fair value of plan assets	2,230.18	674.44
3. Deficit	143.15	92.44
4. Current portion of the above	143.15	92.44
5. Non-Current Portion of the above	-	-
II. Change in the obligation during the year ended 31 March		
1. Present value of defined benefit obligation at the beginning of the year	766.89	729.23
2. Expenses recognised in the statements of profit and loss		
- Current service cost	214.52	187.32

Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

Particulars	(₹ in lakh)	
	Gratuity (Funded plan)	
	31 March 2022	31 March 2021
- Interest expense	52.18	45.44
3. Recognised in other comprehensive income		
- Actuarial (gain)/loss arising from experience adjustments	(62.97)	(14.66)
- Actuarial (gain)/loss arising from financial assumption	(20.86)	(29.65)
4. Benefit payments	(110.48)	(150.80)
5. Liability assumed on Business acquisition (refer note 52)	1,534.05	-
6. Present value of defined benefit obligation at the end of the year	2,373.33	766.88
III. Change in fair value of assets		
1. Fair value of plan assets at the beginning of the year	674.44	562.57
2. Recognised in the statement profit and loss		
- Expected return on plan assets	49.46	39.10
3. Recognised in other comprehensive income		
- Actual return on plan assets in excess of the expected return	(12.21)	223.57
4. Contributions by employer (including benefit payments recoverable)	149.30	-
5. Benefit payments	(110.45)	(150.80)
6. Assets transferred under Business acquisition (refer note 52)	1,479.64	-
7. Fair value of plan assets at the end of the year	2,230.18	674.44

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

Particulars	(₹ in lakh)	
	Gratuity (Unfunded plan)	
	31 March 2022	31 March 2021
Current service cost	0.07	1.11
Net interest expense/(income)	0.06	0.23
Components of defined benefit costs recognised in profit or loss	0.13	1.34
Net actuarial (gain)/loss	(0.62)	(1.33)
Expected return on plan assets excluding interest income	-	-
Components of defined benefit costs recognised in other comprehensive income	(0.62)	(1.33)
Change in the obligation during the year ended 31 March		
1. Present value of defined benefit obligation at the beginning of the year	11.85	0.86
2. Defined benefit obligation derecognised on account of loss of control (refer note 53)	(10.16)	
3. Defined benefit obligation received on account of business acquisition (refer note 52)	-	10.97
4. Expenses recognised in the statements of profit and loss		
- Current service cost	0.07	1.11
- Interest expense	0.06	0.23
5. Recognised in other comprehensive income		
- Actuarial (gain)/loss arising from experience adjustments	-	(0.95)
- Actuarial (gain)/loss arising from financial assumption	(0.62)	(0.37)
6. Benefit payments	(0.44)	-
7. Present value of defined benefit obligation at the end of the year	0.76	11.85

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.



Significant accounting policies and other explanatory information to the consolidated financial statements

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V. Actuarial assumptions

	As at 31 March 2022	As at 31 March 2021
1. Discount rate	7.32%-7.37%	6.80%-6.95%
2. Expected rate of increase in compensation level	6.50%	5.50% - 6.50%
3. Expected rate of return on plan assets	7.32%-7.37%	6.95%
4. Attrition rate	1.00%	1.00%
5. Mortality table	IALM 2012-14	IALM 2012-14
6. Superannuation age	58	58

VI. Sensitivity analysis

(₹ in lakh)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Change in assumption	Effect on gratuity obligation	Change in assumption	Effect on gratuity obligation
Discount rate	0.50%	(49.16)	0.50%	(46.78)
	-0.50%	53.72	-0.50%	51.19
Expected rate of increase in compensation level	0.50%	51.09	0.50%	48.54
	-0.50%	(47.09)	-0.50%	(45.06)

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)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
1. Defined benefit obligation	2,373.33	766.88
2. Fair value of plan assets	2,230.18	674.44
3. Surplus/(deficit)	(143.15)	(92.44)
4. Experience adjustment on plan liabilities gain/(loss)	62.97	14.66

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.

Significant accounting policies and other explanatory information to the consolidated financial statements

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

Particulars	(₹ in lakh)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Amounts recognised in the balance sheet		
Non current (refer note 24)	731.43	495.45
Current (refer note 30)	283.71	52.02
	1,015.15	547.47
Amounts recognised in the statement of profit and loss		
Current service cost	191.27	161.35
Interest cost	36.45	33.90
Actuarial loss	226.88	67.20
Total included in employee benefits expense	454.60	262.45
Reconciliation of opening and closing balances of benefit obligations		
Change in benefit obligation		
Defined benefit obligation at the beginning of the year	547.47	495.82
Interest cost	36.45	33.90
Defined benefit obligation on account of business acquisition	-	11.40
Current service cost	191.27	161.35
Benefits paid	(232.81)	(222.20)
Actuarial loss	226.88	67.20
Defined benefit obligation derecognised on account of loss of control (refer note 53)	(11.31)	-
Liability assumed on Business acquisition (refer note 52)	257.20	-
Defined benefit obligation at the end of the year	1,015.15	547.47

Note 49 Ind AS 116 Leases

Leases for which the Group 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, 2022:

Particulars	(₹ in lakh)	
	31 March 2022	31 March 2021
Current lease liabilities	2,189.24	905.19
Non current lease liabilities	20,888.05	4,399.31
Total	23,077.29	5,304.50

The following is the movement in lease liabilities during the year ended March 31, 2022:

Particulars	(₹ in lakh)	
	31 March 2022	31 March 2021
Balance at the beginning	5,304.50	8,134.48
Addition	20,198.39	765.69
Finance cost accrued during the period	840.31	591.07
Deletions/adjustment	1,294.11	2,526.01
Payment of lease liabilities	1891.60	1,436.71
Saving in lease rent	80.20	224.02
Balance at the end	23,077.29	5,304.50



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The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

Particulars	(₹ in lakh)	
	31 March 2022	31 March 2021
Less than one year	3,747.38	1,298.25
One to five years	13,821.25	3,919.41
More than five years	13,376.67	1,518.25
Total	30,945.30	6,735.91

Rental expense recorded for short-term leases was ₹ 1,113.98 lakh (Previous year ₹ 1260.92 lakh) for the year ended March 31, 2022.

Note 50 - Financial instruments by category

Particulars	As at 31 March 2022			As at 31 March 2021		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
	(₹ in lakh)					
Non current financial assets						
Investments *^	-	-	8,734.78	-	-	-
Loans	-	-	-	-	-	-
Other financial assets	-	-	931.88	-	-	612.11
Current financial assets						
Investments	-	2,709.06	-	-	2,564.02	-
Trade receivable	-	-	30,589.59	-	-	40,765.19
Cash and cash equivalents	-	-	2,647.77	-	-	760.44
Bank balances other than cash and cash equivalents	-	-	6.61	-	-	1.18
Other financial assets	-	-	1,768.81	-	-	59.59
Total financial assets	-	2,709.06	44,679.44	-	2,564.02	42,198.51
Non current financial liabilities						
Non-current borrowings	-	-	1,050.00	-	-	4,253.64
Non-current lease liabilities	-	-	20,888.05	-	-	4,399.31
Other financial liabilities	-	-	3,928.80	-	-	3,200.61
Current financial liabilities						
Current borrowings	-	-	13,272.12	-	-	14,690.06
Current lease liabilities	-	-	2,189.24	-	-	905.19
Trade payables	-	-	25,238.98	-	-	14,385.22
Other financial liabilities	-	-	84,628.11	-	-	19,896.40
Total financial liabilities	-	-	1,51,195.30	-	-	61,730.43

* Refer note 53

^ Including deemed equity contribution

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Note 51 -

Additional information to consolidated financial statements as at 31 March 2022 (Pursuant to Schedule III to the Companies Act, 2013)

(₹ in lakh)

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit and loss	Amount	As a % of consolidated profit and loss	Amount	As a % of consolidated profit and loss
Parent Company								
Hindware Home Innovation Limited	11,599.68	22.04	11,354.94	56.30	7.58	14.52	11,362.52	56.19
Subsidiaries:								
Hindware Home Retail Private Limited	87.87	0.17	21.43	0.11	(0.04)	(0.07)	21.39	0.11
Hindware Limited	35,172.51	66.82	11,652.31	57.78	44.88	85.99	11,697.19	57.85
Hintastica Private Limited	-	-	(224.60)	(1.11)	0.56	1.07	(224.04)	(1.11)
Luxxis Heating Solutions Private Limited	0.00	0.00	(18.24)	(0.09)	-	-	(18.24)	(0.09)
Halis International Limited	18.67	0.04	(6.59)	(0.03)	(0.50)	(0.95)	(7.09)	(0.04)
Queo Bathroom Innovations Limited	24.44	0.05	(6.82)	(0.03)	0.02	0.03	(6.80)	(0.03)
Less: Eliminated on consolidation	5,733.32	10.89	(2,423.27)	(12.02)	-	-	(2,423.27)	(11.98)
Joint Venture:								
Hintastica Private Limited	-	-	(180.79)	(0.90)	(0.31)	(0.59)	(181.10)	(0.90)
Total	52,636.49	100.00	20,168.36	100.00	52.19	100.00	20,220.55	100.00

Additional information to consolidated financial statements as at 31 March 2021 (Pursuant to Schedule III to the Companies Act, 2013):

(₹ in lakh)

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit and loss	Amount	As a % of consolidated profit and loss	Amount	As a % of consolidated profit and loss
Parent Company								
Hindware Home Innovation Limited	10,901.62	33.04	1,864.54	34.00	40.62	20.72	1,905.16	33.54
Subsidiaries:								
Hindware Home Retail Private Limited	66.48	0.20	123.53	2.25	0.03	0.02	123.56	2.18
Hindware Limited	25,925.32	78.58	7,192.32	131.14	153.74	78.42	7,346.06	129.32
Hintastica Private Limited	(251.87)	(0.76)	(270.65)	(4.94)	1.08	0.55	(269.57)	(4.75)
Luxxis Heating Solutions Private Limited	18.24	0.06	(0.44)	(0.01)	-	-	(0.44)	(0.01)
Halis International Limited	24.76	0.08	(121.57)	(2.22)	0.54	0.28	(121.03)	(2.13)
Queo Bathroom Innovations Limited	26.18	0.08	(7.16)	(0.13)	0.04	0.01	(7.12)	(0.13)
Less: Eliminated on consolidation	(3,716.42)	(11.28)	(3,296.29)	(60.09)	-	-	(3,296.29)	(58.02)
Total	32,994.31	100.00	5,484.28	100.00	196.05	100.00	5,680.33	100.00

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Note 52 - Business Combination (Acquisition of BPD manufacturing operations of AGI Greenpac limited)

- a) The Board of Directors of a subsidiary company, Hindware Limited (formerly known as Brilloca Limited), in its meeting held on 15th January, 2022, had approved the acquisition of one of the business undertaking of the AGI Greenpac Limited ("AGIGL") (formerly known as HSIL Limited) that is engaged in the business of manufacturing, on contract basis, of sanitaryware, faucets and plastic pipes and fittings, through its operating manufacturing plants, along with all the related assets and liabilities including but not limited to the embedded goodwill, movable and immovable assets (except certain land and buildings), employees,
- c) Details of acquisition of business on slump sale basis are:

contracts (including lease deeds), intellectual property and other intangible assets, licenses, permits, consents, approvals, inventory and insurance policies, for a lump sum consideration of ₹ 63,000 lakh which amount has been mutually negotiated between the subsidiary company and AGI Greenpac (based on the recommendations in the valuation report issued by an independent valuer), subject to customary closing date adjustments and on such other terms as set out in the business transfer agreement executed between the subsidiary company and AGIGL

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

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

Note 53 - Impact of Loss of Control

- A) Pursuant to the execution of Share Subscription and Shareholders Agreement (and other agreements) between Hintastica Private Limited (HPL), the Company and Atlantic Societe Francaise De Development Thermique, France ("Groupe Atlantic"); the Company and Groupe Atlantic, during the year, infused equity of ₹ 766.59 lakh and ₹ 6,826.59 lakh by subscribing to 25,300 nos. and 2,25,300 nos. of equity shares of ₹ 10 each respectively of HPL at agreed valuation of ₹ 3,030 per share (including share premium of ₹ 3,020 per share). Post allotment of aforesaid equity shares, HPL became 50:50 joint venture ("JV") between the Company and Groupe Atlantic w.e.f. 20th May 2021; and in the consolidated financial statements:
- i) Recognised as exceptional item, fair value gain (net) of ₹ 6,611.48 lakh of its investment in HPL on account of loss of control of subsidiary (as per Ind AS 110).
- ii) recorded gain of ₹ 3,474.61 lakh on account of slump sale of Water Heater business undertaking by the Company to HPL (then wholly owned subsidiary) during the year ended 31st March 2021, as an exceptional item.
- B) Consolidated statement of profit and loss includes operations of HPL for the period up to 19th May 2021.
- C) Upon HPL becoming a Joint venture, the assets and liabilities of HPL has been derecognised. The fair value of investment being regarded as the cost on initial recognition of investment in the HPL as joint venture. HHIL's retained interest in HPL has been accounted for by using the equity method.

Note 54 - Rights issue in Hintastica Private Limited

The Board of Directors of the Joint Venture company Hintastica Private Limited ("HPL") at its meeting held on 16th August 2021 and other resolutions passed on 3rd September 2021 had approved the right issue size, rights entitlement ratio, fixed the issue price, fixed the record date and in accordance with the provisions of the Companies Act, 2013 and the applicable Rules prescribed thereunder, HPL had issued 1,32,000 fully paid-up Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 3,030 per Equity Share (including a premium of ₹ 3,020 per Equity Share) aggregating to ₹ 3,999.60 lakhs on a rights basis to eligible equity shareholders in the ratio of 220 Equity Share for 751 fully paid-up Equity Share held on the record date, that is 23rd August, 2021. These equity shares were allotted on 3rd September 2021.

Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

Note 55

In case of one subsidiary, Luxxis Heating Solutions Private Limited where no assets /liability remained at year end , the company has fully provided impairment against such investment. The management is hopeful about continuing operations in future based on appropriate business opportunities and considered as going concern. In view of management investment in said subsidiary is not material to the group.

Note 56 - Proposed Dividend

During the year, the holding company paid interim dividend @ 25% representing to ₹ 0.50 per equity share of face value ₹ 2 each for financial year 2021-22. Further interim dividend is treated as final dividend.

Note 57 - Transactions with Struckoff companies

(₹ in lakhs)

S. No.	Name of Struck-off company (as per MCA)	Nature of transaction with struck-off company	Balance as on 31 March 2022	Balance as on 31 March 2021	Relationship with the struck-off company
1	Anupriaa Associates Private Limited	Sale of goods	-	(0.02)	Customer
2	EL BORNE (India) Trading Company Private Limited	Sale of goods	-	0.42	Customer
3	GCL Enterprises Private Limited	Sale of goods	(0.05)	3.78	Customer
4	Concept Ceramics Private Limited	Sale of goods	(0.00)	-	Customer
5	S S Realityworld Private Limited	Sale of goods	-	0.40	Customer
6	S V Electronics Limited	Purchase of goods	(0.00)	-	Vendor
7	Orcalo Software Solutions Private Limited	Purchase of goods	-	(0.81)	Vendor
8	Khandelwal Polymers Pvt Ltd	Purchase of Service	(0.02)	-	Vendor
9	Baron Electronics Private Limited	Sale of goods	-	(0.03)	Customer

Details of other struck off entities holding equity shares in the Company is as below (Contd.):

S No.	Name of struck off Company	No. of shares held (In no.)	Paid-up as at 31 March 2022 (In ₹)	Paid-up as at 31 March 2021 (In ₹)
1	Rocket Investment Private Limited	7	14	14

Note 58 - Change of Name

- Pursuant to issuance of fresh certificate of incorporation dated 23rd May 2022 by the Registrar of Companies, Kolkata ("ROC"), the name of Company stands changed from Somany Home Innovation Limited to Hindware Home Innovation Limited (the "Company").
- Further, pursuant to issuance of fresh certificate of incorporation dated 13th April 2022 by the ROC, the name of wholly owned subsidiary, Brillloca Limited stands changed to Hindware Limited.

Note 59 - Covid-19 pandemic

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

Note 60 - Other Disclosures

- No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder
- The Group have not traded or invested in crypto currency or virtual currency during the financial year
- There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are: (a) repayable on demand; or (b) without specifying any terms or period of repayment
- The Group has complied with the requirements of the number of layers prescribed under clause (87) of section



Significant accounting policies and other explanatory information to the consolidated financial statements

for the year ended 31 March 2022

2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017

(e) The Group has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority

(f) Utilisation of borrowed funds and share premium

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

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

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

(ii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner

whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

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

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

Note 61 - 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. Group 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 62 -

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

As per our report of even date attached

For and on behalf of the Board of Directors

For Lodha & Co

Chartered Accountants
Firm Registration No.:301051E

Shyamal Kumar

Partner
M. No. 509325
Place : New Delhi
Date : 26 May 2022

Rakesh Kaul

Whole Time Director and CEO
DIN: 08560772

Payal M. Puri

Company Secretary
ACS No.: 16068

Sandip Somany

Chairman
DIN: 00053597

Naveen Malik

Chief Financial Officer

Place : Gurugram
Date : 26 May 2022

Form AOC-1

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

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

Part "A" : Subsidiaries

Sr. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments (Other than subsidiary)	Turnover (including other operating income)	Profit before taxation	Provision for taxation	Profit after taxation	Other comprehensive income	Total comprehensive income for the year	Proposed dividend	% of shareholding (including stepdown subsidiary holding)
1	Hindware Home Retail Pvt. Ltd. (Subsidiary of Hindware Home Innovation Limited)		INR	64.00	23.87	668.52	668.52	-	1,518.88	28.62	7.19	21.43	(0.04)	21.39	-	100%
2	Hindware Limited (Subsidiary of Hindware Home Innovation Limited)		INR	490.00	34,682.51	1,59,712.94	1,59,712.94	2,709.06	1,79,545.63	15,403.82	3,751.51	11,652.31	44.88	11,697.19	2,940.00	100%
3	Hintastica Private Limited (Subsidiary of Hindware Home Innovation Limited)*		INR	-	-	-	-	-	42.90	(267.38)	(42.78)	(224.60)	0.55	(224.05)	-	100%
4	Luxxis Heating Solutions Private Limited (Subsidiary of Hindware Home Innovation Limited)		INR	20.00	(20.00)	0.00	0.00	-	-	(18.24)	-	(18.24)	-	(18.24)	-	100%
5	Halis International Ltd. (Subsidiary of Hindware Ltd.)		USD 1 = INR 75.8071	2,010.62	(1,991.95)	19.81	19.81	-	-	(6.59)	-	(6.59)	(0.50)	(7.08)	-	100%
6	Queo Bathroom Innovations Ltd. (Subsidiary of Halis International w.e.f.16 th March 2021, earlier subsidiary of Haas International B.V.)	Reporting period is same as holding company	GBP 1 = INR 99.5524	5.36	19.08	26.03	26.03	-	-	(6.82)	-	(6.82)	0.02	(6.80)	-	100%

* Hintastica Private Limited ceased to be subsidiary w.e.f. 20th May 2021 and became 50:50 joint venture ("JV") between the Company and Groupe Atlantic.

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. Hintastica Private Limited

**Part "B" : Associates and Joint Ventures****Statement pursuant to section 129 (3) of the Companies Act, 2013 related to associate companies/joint ventures**

(₹ in lakhs)

Sr. No.	Name of Associates/ Joint Ventures	1. Latest audited Balance Sheet Date	2. Share of Associate/Joint Venture held by the company on the year end			3. Description of how there is significant influence	4. Reason why the associate/ joint venture is not consolidated	5. Net worth attributable to Shareholding as per latest audited Balance Sheet	6. Profit/Loss for the year	
			No.	Amount of investment in Associates/ Joint Venture	Extend of Holding %				i. Considered in Consolidation	i. Not considered in Consolidation
1	Hintastica Private Limited	Reporting period is same as Parent company	291300	2786.39	50%	Through voting rights	Joint venture in terms of Ind AS 110	5,377.33	(180.79)	Nil

Note 1 : Name of associates or joint ventures which are yet to commence operations : Nil

Note 2 : Name of associates or joint ventures which have been liquidated or sold during the year : Nil

Rakesh Kaul

Whole Time Director and CEO
DIN: 08560772

Sandip Somany

Chairman
DIN: 00053597

Payal M. Puri

Company Secretary
ACS No.: 16068

Naveen Malik

Chief Financial Officer

Place : Gurugram
Date : 26 May 2022

HINDWARE HOME INNOVATION LIMITED

(Formerly known as Somany Home Innovation Limited)

CIN: L74999WB2017PLC222970**Registered Office:** 2, Red Cross Place, Kolkata – 700 001, West Bengal, India**Phone:** +91-33-2248 7404**E-mail:** investors@shilgroup.com; **Website:** www.hindwarehomes.com**NOTICE**

Notice is hereby given that the 5th (fifth) Annual General Meeting of the members of Hindware Home Innovation Limited (Formerly known as Somany Home Innovation Limited) will be held on Tuesday, 30 August 2022 at 12:00 noon (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following businesses:

Ordinary Business

- To consider and adopt:
The audited financial statements of the Company for the financial year ended 31 March 2022, the reports of the Board of Directors and Auditors thereon and the audited consolidated financial statements of the Company for the financial year ended 31 March 2022 and Auditors' Report thereon.
- To confirm payment of Interim Dividend of ₹ 0.50 per Equity Share of ₹ 2 each as Final Dividend for the year ended 31 March 2022.
- To appoint a Director in place of Mr. Rakesh Kaul (DIN: 08560772) who retires by rotation and, being eligible, offers himself for re-appointment.

Special Business

- Re-appointment of Mr. Rakesh Kaul as Whole-time Director & Chief Executive Officer and remuneration payable thereof**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 2(18), 2(94), 196, 197, 203 and other applicable provisions of the Companies Act, 2013 ("the Act"), if any, read with Schedule V of the Act and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Articles of Association of the Company and recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, and subject to such other approvals as may be necessary, consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Rakesh Kaul (DIN: 08560772) as a Whole-time Director & Chief Executive Officer of the Company for a further period of 3 (Three) consecutive years, commencing from 17 September 2022 till 16 September 2025 who shall be the Key Managerial Personnel and liable to retire by rotation, on the terms and conditions including remuneration payable as set out in the Explanatory Statement annexed hereto, which in any financial year, may exceed 5% of the net profits of the Company in

accordance with the provisions of the Act or such other limits as may be prescribed from time to time subject to the Nomination and Remuneration Policy of the Company.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, notwithstanding anything to the contrary herein contained, during his tenure, the existing remuneration shall be paid as minimum remuneration subject to the provisions of Part II of Schedule V of the Act or any amendments thereto.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and are hereby authorised to perform all such acts and things and to sign all such deeds and documents, as may be considered necessary, desirable or expedient to give effect to this resolution."

By order of the Board
For Hindware Home Innovation Limited
(Formerly known as Somany Home Innovation Limited)

(Payal M Puri)

Company Secretary &
V. P. Group General Counsel
Membership No. A16068

Place : Gurugram
Date : 25 July 2022

NOTES:

- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts on special business under Sl. No. 4 is annexed hereto.
- In view of the current circumstances due to pandemic caused by COVID-19 prevailing in the country, requiring social distancing, and pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021 and 02/2022 dated 8 April 2020, 13 April 2020, 5 May 2020, 13 January 2021 and 5 May 2022 respectively issued by Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May 2022 issued by Securities and Exchange Board of India ("SEBI Circulars"), the 5th Annual General Meeting ("AGM") of the Company is being conducted through VC/OAVM, which does not require the physical presence of members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.



3. Pursuant to MCA Circulars, since the AGM is conducted through VC/OAVM, where physical presence of members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies under Section 105 of the Act is not available for this AGM. However, in pursuance of Section 112 and 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-voting for participation and voting in the AGM through VC/OAVM.
4. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. **M/s. Lodha & Co., Chartered Accountants, Firm Registration No. 301051E, were appointed as Statutory Auditors of the Company from conclusion of 1st Annual General Meeting till conclusion of 6th Annual General Meeting of the Company, subject to ratification at every Annual General Meeting of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors. The Ministry of Corporate Affairs (MCA) vide its circular dated 7 May 2018 notified various Sections of the Companies (Amendment) Act, 2017, thereby modifying Section 139 of the Act. Accordingly, the requirement for ratification of appointment of Statutory Auditors by the shareholders at every Annual General Meeting has been omitted, hence no such resolution is proposed at this Annual General Meeting.**
6. A copy of the standalone and consolidated financial statements of the Company for the financial year ended 31 March 2022 together with the Auditors' and Directors' Reports thereon are enclosed.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 23 August 2022 to Tuesday, 30 August 2022 (both days inclusive) for the purpose of the 5th Annual General Meeting.
8. Electronic copy of the Notice of the AGM of the Company inter alia indicating the process and manner of remote e-voting is being sent to all Members whose email IDs are registered with the Company/Depository Participant(s) ("DP") for communication purposes. For Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email address by writing to investors@shilgroup.com to receive Annual Report. Members holding shares in dematerialized mode and who have not registered their email address are requested to update their email address with the relevant DP to receive Annual Report.
9. In conformity with the MCA Circulars and SEBI Circulars, the Annual Report for the FY 2021-22 is being sent only through electronic mode to those members whose email addresses are registered with the Company/DPs. Members may note that the Annual Report for the FY 2021-22 incorporating therein Notice of AGM is also available on the Company's website i.e. www.hindwarehomes.com, websites of National Stock Exchange of India Limited i.e. www.nseindia.com and BSE Limited i.e. www.bseindia.com and on the website of Central Depository Services (India) Limited ("CDSL") i.e. www.evotingindia.com.
10. Members holding shares in physical form and desirous of making a nomination or cancellation/ variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to submit the prescribed Form No. SH.13 to the Company's Registrar and Share Transfer Agent, M/s. Maheshwari Datamatics Private Limited (RTA) for nomination and Form No. SH.14 for cancellation/variation as the case may be. Shareholders holding shares in demat form are also advised to avail nomination facility by submitting the prescribed form to their respective DPs.
11. Securities and Exchange Board of India ("SEBI") has made it mandatory for all companies to use the bank account details furnished by the DPs and the bank account details maintained by the RTA of the Company for payment of dividend to members electronically. The Company is continuing to extend the facility of electronic credit of dividend directly to the respective bank accounts of the member(s) through ECS/NECS/ Real Time Gross Settlement (RTGS)/Direct Credit, etc.

As directed by SEBI, the members holding shares in physical form are requested to submit particulars of their bank account alongwith the original cancelled cheque bearing the name of the member to RTA/ Company to update their bank account details for online payment of dividend as being declared by the Company.

Members holding shares in demat form are requested to update their bank account details with their respective DPs. The Company or RTA cannot act on any request received directly from the members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the DPs of the members. Further instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode.

Pursuant to Finance Act, 2020, dividend income is taxable in the hands of shareholders w.e.f. 1 April 2020 and the Company is required to deduct income tax at source (TDS) from payment of dividend, if any to shareholders at the prescribed rates. TDS rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/RTA (in case of shares held in physical mode) by clicking on <http://mdpl.in/form/> and DPs (in case of shares held in demat mode). Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at applicable rates as mentioned in Finance Act, 2020.

The Resident Non-Individual Members i.e. Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) established in India and Non-Resident Non-

Individual Members i.e. Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before the aforesaid timelines.

12. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.
13. SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 mandated furnishing of PAN, KYC details (i.e. address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from 1 January 2022, any service requests or complaints received from the Member, will not be processed by RTA till the aforesaid details/documents are provided to RTA. On or after 1 April 2023, in case any of the above cited documents/details are not available in the folio(s), RTA shall be constrained to freeze such folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company's RTA i.e. <https://mdpl.in>
14. As required under Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the relevant information in respect of a Director seeking re-appointment at the Annual General Meeting is provided herein below and forms a part of this Notice.
15. For shareholders holding shares in physical form, please send all correspondence including requests for change of address etc. to RTA of the Company.
16. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed to this Notice.
17. The Company has designated an exclusive e-mail ID "investors@shilgroup.com" for redressal of shareholders' complaints/grievances. If you have any query, please write to us at investors@shilgroup.com.
18. Electronic copy of all the documents as required under the Act and referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be available for inspection in the Investor Section of the website of the Company at www.hindwarehomes.com.
19. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the AGM through VC/OAVM Facility.
20. The Board of Directors has appointed Mr. Pravin Kumar Drolia, Practicing Company Secretary, Kolkata (Membership No.: F2366, CP: 1362), as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
21. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting (votes cast during the AGM and votes cast through remote e-voting) and make, within two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.
22. The result declared alongwith the Scrutinizer's Report shall be placed on the Company's website i.e. www.hindwarehomes.com and on the website of CDSL i.e. www.evotingindia.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.
23. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the said AGM i.e. 30 August 2022.
24. The members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
25. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI LODR (as amended) and MCA Circulars, the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND ATTENDING AGM THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins at 9.00 a.m. (IST) on Saturday, 27 August 2022 and ends at 5.00 p.m. (IST) on Monday, 29 August 2022. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. on Tuesday, 23 August 2022 may cast their



- votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The members who have cast their votes by remote e-voting prior to the AGM may also participate in the AGM through VC/OAVM Facility but shall not be entitled to cast their votes again.
- (iii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020 on e-voting facility provided by listed companies, individual shareholders holding shares in demat mode are allowed to vote through their respective demat accounts maintained with Depositories and DPs. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.
- (iv) **Login method for e-voting and attending AGM through VC/OAVM for individual shareholders holding shares in demat mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding shares in demat mode with CDSL	<p>A. Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>B. After successful login the Easi/Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider ("ESP") for casting his/her vote during the remote e-voting period or attending AGM through VC/OAVM and voting during the meeting. Additionally, there are also links provided to access the system of all ESPs i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the websites of ESPs directly.</p> <p>C. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>D. Alternatively, the user can directly access e-voting page by providing demat account number and PAN from the e-voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending an OTP on registered mobile number and e-mail id as recorded in the demat account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also to directly access the system of all ESPs.</p>
Individual Shareholders holding shares in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-Voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or attending AGM through VC/OAVM and voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.</p> <p>3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP, and a verification code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to website of e-voting service provider for casting your vote during the remote e-voting period or attending AGM through VC/OAVM and voting during the meeting.</p>
Individual Shareholders (holding shares in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to the website of e-voting service provider for casting your vote during the remote e-voting period or attending AGM through VC/OAVM and voting during the meeting.

Important note: Shareholders who are unable to retrieve User ID/ Password are advised to use "Forget User ID" and "Forget Password" option available at abovementioned websites.

Dedicated helpdesk for individual shareholders holding shares in demat mode for any technical issues related to login/e-voting through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding shares in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33 (Toll-free) or 022-23058738/8543/8542.
Individual Shareholders holding shares in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call on toll free no.: 1800 1020 990 and 1800 22 44 30.

(v) Login method for e-voting and attending AGM through VC/OAVM for physical shareholders and shareholders other than individual holding in demat form.

- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on "Shareholders" module.
- Now enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in physical form, if any, should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

For physical shareholders and other than individual shareholders holding shares in demat form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders, if any) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/DP are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).

- After entering these details appropriately, click on "SUBMIT" tab.
- Shareholders holding shares in physical form, if any, will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- For shareholders holding shares in physical form, if any, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.
- If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES AND MOBILE NUMBERS ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- For physical shareholders - Please visit <http://mdpl.in/form/> and follow the registration process as guided thereafter. Post successful registration of the email address, the member would get soft copy of the Notice and the procedure for remote e-voting along with the User ID and the password to enable e-voting for this



AGM. In case of any query, the member may write to RTA of the Company at mdpldc@yahoo.com.

2. For demat shareholders - Members shall register their email addresses, in respect of electronic holdings with their concerned DPs by following due procedure as advised by them.

INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the AGM through Laptops/IPads for better experience.
3. Further shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investors@shilgroup.com by 20 August 2022. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The members are also requested to send their queries, if any, by 20 August 2022 mentioning their name, demat account number/folio number, email id, mobile number at investors@shilgroup.com.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those members, who are present in the AGM through VC/OAVM facility and have not cast their votes on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
3. If any votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through

VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members attending the meeting.

4. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non - Individual Members and Custodians

1. Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
2. A scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
3. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
4. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
5. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
6. Alternatively, Non-Individual members are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@shilgroup.com, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM and e-voting from the e-voting system, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 or 022-23058738/8542/8543.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542 or toll free no. 1800 22 55 33.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

The present term of Mr. Rakesh Kaul ("Mr. Kaul") as Whole-time Director & Chief Executive Officer of the Company will expire by efflux of time on 16 September 2022. Having regard to the long association of Mr. Kaul with the Company and taking into account his wide experience of over 26 years and vast knowledge in consumer appliances industry and retail business, the Board of Directors at their meeting held on 25 July 2022, has recommended to re-appoint Mr. Kaul for a further period of 3 (Three) consecutive years, commencing from 17 September 2022 upto 16 September 2025 on remuneration as recommended by the Nomination and Remuneration Committee. His re-appointment and remuneration fixed by the Board are in accordance with Section 197 of the Companies Act, 2013 ("the Act").

The Board of Directors upon receipt of recommendation from Nomination and Remuneration Committee, considered that his association would be of immense benefit to the Company and it is desirable to avail the services of Mr. Kaul as Whole-time Director & Chief Executive Officer, liable to retire by rotation. Therefore, the Board recommends the resolution set forth under item no. 4 of the accompanying Notice for approval of the members.

The abstract of terms and conditions of the re-appointment and remuneration payable to Mr. Kaul, as embodied in the draft Agreement to be entered into by the Company with Mr. Kaul with the Company, are as follows:

1. Period of Appointment

3 (Three) years commencing from 17 September 2022.

2. Remuneration

- a) SALARY: Annual remuneration of ₹ 2,89,53,429/- with such annual increments as may be decided by the Board of Directors (which includes any Committee thereof) from time to time whether paid as salary and/or allowance(s) or a combination thereof.
- b) PERQUISITES: The aforesaid remuneration includes following perquisites and also other perquisites which shall be paid in accordance with the provisions of the Income Tax Act, 1961. However, the following perquisites shall not be included in computation of ceiling on remuneration in terms of Schedule V of the Act:

- i) Contributions to Provident Fund and Superannuation/Annuity Fund as per rules of the Company.
- ii) Gratuity payable as per rules of the Company.
- iii) Encashment of Leave at the end of the tenure as per rules of the Company.
- iv) Any other perquisites as may be required under provisions of the Act including any statutory modification(s) or re-enactment thereof for the time being in force.

Provision of Company maintained car as per the Company's car policy is in addition to the aforesaid gross annual consolidated remuneration.

c) PERFORMANCE LINKED INCENTIVE

The Performance Linked Incentive is not included in the aforesaid annual remuneration and is payable annually as per the Company's policy.

Overall Remuneration

Subject to an overall limit of 5% of the net profits individually and 10% of the net profits collectively payable to the Executive Directors as calculated in accordance with Section 197 and other applicable provisions of the Act read with Schedule V to the said Act, as may be for the time being in force.

Minimum Remuneration

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of office of Mr. Kaul, the Company shall pay him remuneration by way of consolidated salary and perquisites in accordance with the limits laid down under Section II of Part II of the Schedule V to the Act.

Sitting Fee

Mr. Kaul shall not, so long as he acts as the Whole-time Director, designated as the Chief Executive Officer of the Company, be paid any sitting fee for attending any meeting of the Board or any Committee thereof.

Other Terms

Mr. Kaul shall not, during the continuance of his employment hereunder or at any time thereafter, divulge or disclose to any person or make use whatever



for his own or for any other purpose any confidential information or knowledge acquired by him during his employment under the Company as to the business or affairs of the Company or as to any trade secret or secrets, processes of the Company and shall, during the continuance of his employment hereunder, use his best endeavours to prevent any other person from doing so.

The Board of Directors may, in their discretion, revise or modify any of the terms of appointment and remuneration from time to time within the limits laid down in Schedule V to the Act.

Termination

Notwithstanding anything contained in this Agreement, either party shall be entitled to determine this Agreement by giving 2 (two) months' notice in writing in that behalf to the other party and on the expiry of the period of such notice, this Agreement

shall stand terminated. The Company shall also be entitled without assigning any reason whatsoever, to terminate the Agreement on giving to Mr. Kaul 2 (two) months' remuneration as specified in Clause 2 (a) in lieu of two months' notice required to be given under this Clause.

Service of Notice

Any notice to be given hereunder shall be sufficiently given or served in case of Mr. Kaul by being delivered either personally to him or left for him at his address last known to the Company or sent by registered post addressed to him at such address and in the case of the Company by being delivered at or sent by registered post addressed to its registered office, any such notice if so posted shall be deemed served on the day following that on which it was posted.

In pursuance of Section II of Part II of Schedule V of the Act, following further information is given:

1. General Information

Nature of industry	Consumer Products and Retail business																						
Date or expected date of commencement of commercial production	There is no commercial production in the Company being in trading and retail business.																						
In case of new Company, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable																						
Financial performance based on given indicators	Financial year 2021-22 Gross Revenue: ₹ 52,622.86 lakhs Profit after Tax: ₹ 1,268.85 lakhs Rate of Dividend: 25 % i.e. ₹ 0.50/- on equity shares of ₹ 2/- each Earnings per Share: ₹ 1.76 per share																						
Export performance and net foreign exchange earnings	The Company had not exported any products during the financial year 2021-22. Foreign Exchange earned and used during financial year 2020-21 and 2021-22: <table border="1" style="width: 100%; text-align: right;"> <thead> <tr> <th colspan="3" style="text-align: right;">(₹ in Lakh)</th> </tr> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">2021-22</th> <th style="text-align: right;">2020-21</th> </tr> </thead> <tbody> <tr> <td>Earning in foreign currency</td> <td style="text-align: right;">546.88</td> <td style="text-align: right;">0.62</td> </tr> <tr> <td>Outgo of foreign currency</td> <td></td> <td></td> </tr> <tr> <td>- Raw Material, spare part and others</td> <td style="text-align: right;">11,206.53</td> <td style="text-align: right;">9,977.55</td> </tr> <tr> <td>- Capital Equipment</td> <td style="text-align: right;">Nil</td> <td style="text-align: right;">2.49</td> </tr> <tr> <td>- Other expenses (services)</td> <td style="text-align: right;">31.38</td> <td style="text-align: right;">Nil</td> </tr> </tbody> </table>		(₹ in Lakh)			Particulars	2021-22	2020-21	Earning in foreign currency	546.88	0.62	Outgo of foreign currency			- Raw Material, spare part and others	11,206.53	9,977.55	- Capital Equipment	Nil	2.49	- Other expenses (services)	31.38	Nil
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- Capital Equipment	Nil	2.49																					
- Other expenses (services)	31.38	Nil																					
Foreign investments or collaborators, if any.	Investment in Foreign Companies as on 31 March 2022: The Company has formed a joint venture with Groupe Atlantic (France), a 2.2 billion Euro leading water heater Company to form Hintastica Private Limited (HPL), a wholly owned Subsidiary Company which has a manufacturing plant in Telangana to make water heating solutions. The Company also has FGV Italy for kitchen and furniture fittings business. The Company also has Strategic Marketing and Distributorship Association with Formenti & Giovenzana Group, Italy.																						

2. Information about the appointee:

Background Details	<p>Mr. Kaul comes with rich industry experience spanning over 26 years and has been associated with Hindware Home Innovation Limited (Formerly known as Somany Home Innovation Limited) for over 7 years. In his current role, he is responsible for building Hindware Home Innovation Limited (Hindware Home) into one of India's leading consumer appliance companies in the country. Mr. Kaul's tenacious outlook has helped the Consumer Business grow at a CAGR of over 50% in the last 5 years and is one of the fastest growing consumer appliances businesses in the country. Under his business acumen and strategic vision, the company has expanded exponentially with the launch of state-of-the-art products across multiple categories from the brand's home-grown R&D facilities.</p> <p>An experienced leader with a demonstrated history of working in the consumer appliances and retail industry, Mr. Kaul has been steering the strategy and business operations for Hindware Home with a focus on scaling the footprint. Additionally, Mr. Kaul also spearheads Evok, one of the leading retail chains in the furniture, home décor and furnishings industry and a key player in the D2C segment.</p> <p>Under his leadership, Hindware Home formed a joint venture with Groupe Atlantic (France), a 2.2 billion Euro leading water heater company to form Hintastica Private Limited (HPL), which has a manufacturing plant in Telangana to make water heating solutions. Prior to heading Hindware Home, he worked in leadership roles at Karbonn Mobiles, Reliance Retail, Times Group, Onida, and Whirlpool.</p> <p>He is a member of the Stakeholders' Relationship (Shareholders/investors Grievance) Committee, Corporate Affairs Committee and Risk Management Committee of the Company.</p> <p>Mr. Kaul holds a Master's degree in Foreign Trade from the Symbiosis Institute of Management Studies and another Master's degree in Business Administration from The Institute of Management Studies, Kurukshetra. Mr. Kaul graduated with a bachelor's in Science degree from Delhi University.</p>						
Past Remuneration	<p>The remuneration drawn by Mr. Kaul during the previous three financial years is as follows:</p> <table border="1"> <tr> <td>2019-20*</td> <td>₹ 83,72,308</td> </tr> <tr> <td>2020-21</td> <td>₹ 1,82,24,525</td> </tr> <tr> <td>2021-22</td> <td>₹ 2,45,07,264</td> </tr> </table> <p>* For period from 17 September 2019 to 31 March 2020</p>	2019-20*	₹ 83,72,308	2020-21	₹ 1,82,24,525	2021-22	₹ 2,45,07,264
2019-20*	₹ 83,72,308						
2020-21	₹ 1,82,24,525						
2021-22	₹ 2,45,07,264						
Recognition or Awards	<p>Under Mr. Kaul's leadership and guidance, the Consumer Products Division of Hindware Home has won many brand & product recognitions, to mention a few recent ones:</p> <ul style="list-style-type: none"> Year 2022 - The Extraordinaire Brand 'Hindware Appliances 2020-22' Year 2021 - 'The Prestigious Brands of India 2021 - Hindware appliance' Year 2019 - The Extraordinaire Brand 2019 'Hindware Appliances', Fastest Growing Consumer Appliances Brand 'Hindware Appliances', Product of the Year 2019 'Achelous Premium Water Purifier & Adonia Hob'. Year 2018 - The Best Lifestyle Brand 2018 by Economic Times. <p>Not only this, Mr. Rakesh Kaul himself holds many award titles, as below:</p> <ul style="list-style-type: none"> CEO of the year 2022: The Business Tycoon Awards 2022 Leader par Excellence-The Extraordinaire 2020-22: Brand Vision Summit 2022 organized by Nexbrands Inc. The Extraordinaire Dynamic Leader 2019: Brand Vision Summit organized by Nexbrands Inc. 2020. The award was presented to Mr. Kaul by Mr. Anurag Thakur, Minister of State Finance and Corporate Affairs, Govt. of India The Rashtriya Gaurav Award 2019: India International Friendship Society. The award was presented during the Economic Growth and National Integration Conference for his outstanding achievements and contribution in business The Most Influential Leader 2018-19: AsiaOne Magazine, India's Greatest Brands and Leaders Awards and Business Summit 2019. 						
Job Profile and his suitability	He devotes whole time attention to the management of the affairs of the Company and exercises powers under the supervision and superintendence of the Board of the Company.						
Remuneration Proposed	As mentioned above						
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Considering the responsibility shouldered by him of the enhanced business activities of the Company and also considering the levels of remuneration in India and worldwide, the remuneration proposed is considered reasonable. Nomination and Remuneration Committee consisting of two Independent Directors, after elaborate discussion, have proposed the aforesaid remuneration.						
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Does not have any pecuniary relationship with the Company except remuneration drawn.						



3. Other Information

Reasons of loss or inadequate profits	<ul style="list-style-type: none"> • After a washed out summer of 2020, the year again had a challenging start with air coolers category suffering a bad summer of 2021 due to increased COVID restrictions. • The Russia-Ukraine economic disturbance had an adverse impact on all costs especially raw materials, semi-conductors, logistics, power, and fuel. Our suppliers were struggling to get the raw material components which has impacted our stocks, disrupting the supply chain. Q3 & Q4 saw multiple price hikes across product categories, but these were a result of the raw material & logistics costs going up sustainably. Indeed, this had a hit on our margins, as only a part amount of inflationary price was transferred to the customers • The Q3 business was primarily driven by festive sales, whereas Q4 onset was impacted by rise in COVID cases. The overall e-commerce industry also saw a dip in Q4 due to the rising cost of logistics and warehousing needs. <p>Amid all such challenges, kitchen chimneys, Fans & Furniture performed well giving a positive movement to the business.</p>
Steps taken or proposed to be taken for improvement	<ul style="list-style-type: none"> • We continued to invest in trending new innovative products & technologies across categories • Expanded Domestic Vendor base and reduced our dependency on China • Investing on the D2C channel as an additional avenue of growth • Expanded exclusive brand shops 'Kitchen Galleries' and continue to add more • Expanded Franchisee network for Furniture business • Expansion of Exports partner network • Digitalization of internal processes with implementation of Sales Force Automation app, Warehouse Management System & Database Management System • Unifying multiple brands under One brand name 'Hindware Smart Appliances' in order to build strong brand positioning • Ecommerce acceleration with focussed strong visibility build up at Amazon • Strengthening visibility & placements in Trade & Large format retail stores
Expected increase in productivity and profits in measurable terms	We expect business in the long run of 3-5 years to attain industry average bottom-line.

General Information

The Board of Directors are of the view that it is in the interest of the Company to continue to avail the services of Mr. Kaul as Whole-time Director & Chief Executive Officer of the Company.

Approval of members is sought for appointment of Mr. Rakesh Kaul as Whole-time Director & Chief Executive Officer and for payment of remuneration including minimum remuneration.

Memorandum of Interest

Except Mr. Kaul being the appointee, or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out under item no. 4 of the accompanying notice.

The Board recommends the Resolutions under item No. 4 of the accompanying notice for approval of the Shareholders of the Company.

Information on the Director seeking re-appointment pursuant to the provisions of Regulation 36(3) of the Listing Regulations and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India

Mr. Rakesh Kaul

Age	52 years
No. of shares held	Nil
Qualification	Please refer abovementioned point no. 2 " Information about the appointee "
Brief Resume and Nature of his Expertise in specific functional areas	Please refer abovementioned point no. 2 " Information about the appointee "
Name of other listed entities in which the Directorship is held	Nil
Chairman/Member of the Committees of Board of other listed companies	Nil
Relationships between directors inter se and other Key Managerial Personnel of the Company	Nil
Remuneration sought to be paid	As per the scale as approved by the shareholders of the Company in the Annual General Meeting held on 3 September 2020, as stated in the Explanatory Statement.
Date of first appointment on the Board	17 September 2019
The number of Board meetings attended during the year	5/5
Name of other companies in which the Directorship is held	Hintastica Private Limited Evok Homes Private Limited (Formerly known as Hindware Home Retail Private Limited)
Membership/Chairmanship of the Committees of other companies	Nil

Note: For other details please refer the Report on Corporate Governance which forms part of this Annual Report.

Corporate Information

BOARD OF DIRECTORS

Mr. Sandip Somany

Chairman and Non-Executive Director

Mr. Rakesh Kaul

Whole-time Director & CEO

Mr. Ashok Jaipuria

Independent Director

Mr. Nand Gopal Khaitan

Independent Director

Mr. Salil Kumar Bhandari

Independent Director

Ms. Anisha Motwani

Independent Director

COMPANY SECRETARY

Ms. Payal M Puri

STATUTORY AUDITORS

M/s Lodha & Co., Chartered Accountants

INTERNAL AUDITORS

M/s Bakertilly DHC Pvt. Ltd. (FY22)

M/s Protiviti India Member Pvt. Ltd. (FY23)

REGISTERED OFFICE

2, Red Cross Place,
Kolkata-700001, West Bengal
T: +91 33 22487404
E: investors@shilgroup.com

BANKERS

Axis Bank Limited

Citibank N.A.

Federal Bank Limited

HDFC Bank Limited

Standard Chartered Bank

The Hongkong and Shanghai Banking
Corporation Limited

CORPORATE OFFICE

Plot No. 68, Echelon Institutional area,
Sector -32, Gurugram,
Haryana-122001

OWNED EVOK STORES

Delhi

Kirtinagar

Haryana

Faridabad

SOMANY IMPRESA
GROUP COMPANY

hindware
home innovation limited

■■■■■
REGISTERED OFFICE

2, Red Cross Place,
Kolkata - 700 001.
T: +91 33 2248 7404
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■■■■■
CORPORATE OFFICE

Plot No. 68, Echelon Institutional area,
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T: +91 0124 2889300