

INDEPENDENT AUDITOR'S REPORT

To the Members of Brilloca Limited

Report on Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Brilloca Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its Profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules made 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.

Emphasis of Matters

Attention is drawn to:

- i) Note no. 51 which describes the uncertainties and the impact of COVID-19 pandemic on the Company's operations and performance as assessed by the management. Further, due to COVID-19 related lock-down/ restrictions, management could perform year end physical verification of inventories at certain locations subsequent and near to year end. However, we could not been able to physically observe the verification of inventories that was carried out by the Management. Consequently, we have performed alternate procedures to audit the existence of Inventory as per the guidance provided by in SA 501 "Audit Evidence – Specific



Considerations for Selected Items” and have obtained sufficient audit evidence to issue our unmodified opinion on these standalone financial statements.

Further, opinion of the management on the carrying value of assets and liabilities and COVID-19 impact on the operations, as stated in the said note.

Our report is not modified in respect of above matter.

Information Other than the Standalone financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Corporate Governance and Shareholder’s Information, but does not include the standalone financial statements and our auditor’s report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Responsibility of Management for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013 we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and



other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the financial year ended 31st March 2020 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 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.

Other Matter

- I) As stated in Note no. 47, financial statements for the year ended 31st March 2019 are restated audited figures after giving impact of the scheme approved by the Hon'ble NCLT Kolkata Bench on 26th June 2019 and effective from 1st April 2018 which has been approved by Board of Directors. The restated financial statements for the year ended 31st March 2019 are to be adopted by the shareholders.

Our opinion on above matter is not modified.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 Cash Flow Statement 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 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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) The company has paid/provided the managerial remuneration for the year ended March 31, 2020 in accordance with the provisions of section 197 read with Schedule V to the Act. (Refer note.45);
- 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 Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 42 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For LODHA & CO.

Chartered Accountants

Firm's Registration No.301051E

(N. K. Lodha)

Partner

Membership No. 85155

UDIN : 20085155AAAAC07676

Place: New Delhi

Date: 22-Jun-2020



Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Brilloca Limited on the standalone financial statements for the year ended 31st March 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management according to the program of periodical verification in phased manner over a period of three years, which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets.
- (c) The company is not having any immovable property, hence reporting under this clause is not applicable.
- (ii) The inventories of the Company have been physically verified by the management at reasonable intervals and the procedures of physical verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
- (iii) According to the records and information and explanation made available to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'), hence other parts of this clause are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security. (Read with Note no.47)
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and relevant rules, hence, we do not offer any comment on the same. Further, we have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard.
- (vi) The Central Government has not specified the maintenance of cost records under sub-section (i) of section 148 of the Act, for the business carried out by the Company. Accordingly, clause 3(vi) of the order is not applicable.
- (vii) (a) According to the records of the company, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, entry tax, goods and service tax, cess and other material statutory dues, with the appropriate authorities. There were no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31st March 2020.



- (b) According to the records and information & explanations given to us, there are no dues in respect of income tax, sales tax, service tax, goods and service tax, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of Statute	Nature of Due	Period	Amount involved (In Lakhs)	Forum where matter is pending
Delhi Sales Tax Act, 1975	Sales Tax	2004-05 to 2010-11	66.13	Additional Commissioner
Delhi Sales Tax Act, 1975	Sales Tax	2010- 2011 to 2014-15	130.44	Additional Commissioner
CST Act	Sales Tax	2013-14	32.48	Delhi Sales Tax Tribunal
Bihar Vat Act	Sales Tax	2016-17	14.29	Additional Commissioner
CST Act	CST	2014-15	45.77	The Appellate Dy. Comm. Rural Division , Hyderabad.
MVAT Act	MVAT	2007-08	3.28	Assistant Commissioner of Sales Tax
CST Act	CST	2010-11	14.23	Assistant Commissioner of Sales Tax
CST Act	CST	2011-12	16.79	Assistant Commissioner of Sales Tax
CST Act	CST	2012-13	2.03	Deputy Commissioner (State Tax)
MVAT Act	MVAT	2010-11	0.00	Assistant Commissioner of Sales Tax
MVAT Act	MVAT	2011-12	5.08	Assistant Commissioner of Sales Tax
MVAT Act	MVAT	2012-13	1.84	Deputy Commissioner (Sales Tax), Mumbai
MVAT Act	MVAT	2013-14	5.25	Deputy Commissioner (Sales Tax), Mumbai
Telangana _CST	VAT	2015-16	30.92	The Addl. Commissioner (ST)
CST Act,	CST	2016-17	54.59	Special Commissioner , Delhi*
CST Act	CST	2013-14	1.55	State Tax Officer
CST Act	CST	2016-17	2.08	State Tax Officer

*Appeal was filed subsequent to balance Sheet date

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). On the basis of information and explanation given to us, term loans have been applied for the purposes for which they were obtained.



- (x) Based on the audit procedures performed and on the basis of information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given by the management and based on our examination of the records of the company, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013. (Refer Note no. 45).
- (xii) On the basis of information and explanation given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3 (xii) of the said order is not applicable.
- (xiii) As per the information and explanations and records made available by the management of the company and audit procedures performed, for the related party transactions entered during the year, the company has complied with the provisions of section 177 and 188 of the Act where applicable. As explained and as per the records / details, the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. (Refer Note no. 45)
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For LODHA & CO.

Chartered Accountants

Firm's Registration No.301051E



N.K. Lodha

Partner

Membership No. 85155



Place: New Delhi

Dated: 22-Jun-2020

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Brilloca Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **LODHA & CO.**

Chartered Accountants

Firm's Registration No.301051E


N.K. Lodha

Partner

Membership No. 85155



Place: New Delhi

Dated: 22-Jun-2020

Brilloca Limited
Statement of Financial Position as at 31 March 2020

	Note	As at 31 March 2020	As at 31 March 2019 (Refer note 47)
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	4	10,926.93	8,101.28
(b) Capital work-in-progress		228.47	26.76
(c) Other intangible assets	5	108.56	116.32
(d) Financial assets			
(i) Investments	6	75.34	75.34
(ii) Loans	7	318.14	245.12
(e) Deferred tax assets (net)	20	902.27	690.78
(f) Other non-current assets	8	143.71	164.88
Total non-current assets		12,703.42	9,420.48
2 Current assets			
(a) Inventories	9	17,553.31	17,124.43
(b) Financial assets			
(i) Investments	10	8.31	8.23
(ii) Trade receivables	11	24,238.46	26,858.65
(iii) Cash and cash equivalents	12	174.29	1,243.35
(iv) Other financial assets	13	1,560.23	10,324.43
(c) Other current assets	14	5,707.31	4,672.91
Total current assets		49,241.91	60,232.00
Total assets		61,945.33	69,652.48
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	15	10.00	10.00
(b) Other equity	16	18,569.26	17,581.81
Total equity		18,579.26	17,591.81
2 Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	3,331.96	3,500.00
(ii) Other financial liabilities	18	5,229.79	2,629.80
(b) Provisions	19	569.18	373.16
(c) Other non-current liabilities	21	131.18	43.47
Total non-current liabilities		9,262.11	6,546.43
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	15,545.82	14,898.25
(ii) Trade payables	23		
- Due to micro and small enterprise		1,332.63	1,554.00
- Due to others		3,291.57	11,991.12
(iii) Other financial liabilities	24	10,939.74	9,865.16
(b) Other current liabilities	25	2,414.34	2,745.13
(c) Income-tax liabilities (net)	26	554.13	4,283.99
(d) Provisions	27	25.73	176.59
Total current liabilities		34,103.96	45,514.24
Total liabilities		43,366.07	52,060.67
Total equity and liabilities		61,945.33	69,652.48



Notes 1 to 55 form an integral part of these standalone financial statements.
In terms of our report attached.

For and on behalf of the Board of Directors

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

N.K. Lodha
Partner
M. No. 85155
Place : New Delhi
Date : 22nd June, 2020



G.L. Sahania
Director
DIN: 00060931

Sandip Somany
Chairman and Managing Director
DIN: 00053597

Payal M. Puri
Company Secretary
ACS No.: 16068

Sandeep Sikka
Chief Financial Officer



Particulars	Note	Year ended 31 March 2020	Year ended 31 March 2019 (Refer note 47)
I Revenue from operations	28	116,087.50	127,151.08
II Other income	29	2,054.21	1,409.93
III Total income		118,141.71	128,561.01
IV Expenses			
Purchases of stock-in-trade	30	79,443.59	81,405.35
Changes in inventories of stock-in-trade	31	(410.15)	1,658.45
Employee benefits expense	32	12,747.85	11,446.54
Finance costs	33	2,012.23	2,028.04
Depreciation and amortisation expense	34	2,412.55	1,412.49
Other expenses	35	16,272.39	19,240.72
Total expenses		112,478.46	117,191.59
V Profit before exceptional items and tax		5,663.25	11,369.42
VI Exceptional items		-	-
VII Profit before tax		5,663.25	11,369.42
VIII Tax expense	36		
(1) Current tax		1,830.23	4,283.99
(2) Deferred tax		(200.42)	(292.17)
Total tax expense		1,629.81	3,991.82
IX Profit for the year		4,033.44	7,377.60
X Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plan		(43.18)	55.64
(ii) Income-tax relating to these items		11.07	(19.44)
Other comprehensive income, net of tax		(32.11)	36.20
XI Total comprehensive income for the year		4,001.33	7,413.80
XII Earnings per equity share (of ₹ 2/- each):			
Basic and diluted	41	806.69	1,475.52



Notes 1 to 55 form an integral part of these standalone financial statements.
In terms of our report attached.

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

N.K. Lodha
Partner
M. No. 85155
Place: New Delhi
Date : 22nd June, 2020




For and on behalf of the Board of Directors


G.L. Sultana
Director
DIN: 00060931


Sandip Somany
Chairman and Managing Director
DIN: 00053597


Payal M. Puri
Company Secretary
ACS No.: 16068


Sandeep Sikka
Chief Financial Officer



	(₹ in lakh)	
Particulars	Year ended 31 March 2020	Year ended 31 March 2019 (Refer note 47)
Cash flows from operating activities		
Profit before tax	5,663.25	11,369.42
Adjustments for:		
Finance costs	2,012.23	2,028.04
Interest income	(13.03)	(5.94)
Gain on disposal of property, plant and equipment	(5.21)	-
Loss on disposal of property, plant and equipment	22.93	19.84
Net (gain) arising on current investments	(0.49)	(0.61)
Sundry balances and liabilities no longer required, written back	(624.66)	(1,077.32)
Provision for expected credit loss	591.14	358.67
Provision for doubtful advances	-	15.15
Bad debts written off	32.94	0.39
Depreciation and amortisation expenses	2,412.55	1,412.49
Net foreign exchange (gain)	(16.80)	-
	10,074.85	14,120.13
Movements in working capital:		
(Increase)/decrease in trade and other receivables	10,704.11	(16,786.09)
(Increase)/decrease in inventories	(428.88)	1,658.45
(Increase)/decrease in other assets	(1,181.33)	(1,101.23)
Increase/(decrease) in trade and other liabilities	(7,955.41)	13,846.07
Increase/(decrease) in provisions	45.16	25.93
	1,183.65	(2,356.87)
Cash generated from / (used in) operations	11,258.50	11,763.26
Income taxes paid	(5,560.09)	-
Net cash generated from / (used in) operating activities	5,698.41	11,763.26
Cash flows from investing activities:		
Payments to acquire financial assets	-	(34.19)
Proceeds on sale of financial assets	0.40	-
Interest received	13.03	5.94
Payments for property, plant and equipment	(2,084.01)	(3,110.09)
Proceeds from disposal of property, plant and equipment	42.94	-
Net Cash generated from / (used in) investing activities	(2,027.64)	(3,138.34)
Cash flows from financing activities:		
Proceeds from borrowings	10.00	-
Movement in short term borrowings (net)	647.57	(10,750.05)
Principle payment of leased liability	(355.61)	-
Taxes on dividend paid	(513.88)	-
Dividends paid to owners of the Company	(2,500.00)	-
Interest paid	(2,027.91)	(2,057.42)
Net Cash generated from / (used in) financing activities	(4,739.83)	(12,807.47)
Net increase / (decrease) in cash and cash equivalents:	(1,069.06)	(4,182.55)
Cash and cash equivalents at the beginning of the year	1,243.35	0.69
Cash and cash equivalents on account of demerger	-	5,425.21
Cash and cash equivalents at the end of the year	174.29	1,243.35

The movement in liabilities from financing activities:

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

Particulars	As at 31st March, 2018	Cash flow	Non-cash flow changes - Other		As at 31st March, 2019
			Foreign exchange	Other*	
Long term borrowings	-	-	-	3,500.00	3,500.00
Short term borrowings	-	(10,750.05)	-	25,648.30	14,898.25
Total liabilities from financing activities	-	(10,750.05)	-	29,148.30	18,398.25

*Transfer due to Scheme as on 1 April, 2018 (Refer note 47)

Notes:-

- The Scheme is cash neutral, hence cash neutral items have not been considered/disclosed in this statement (read with note 47 and note 12)
- Previous year's figures have been re-grouped/ re-arranged wherever necessary.
- The Cash flow statement has been prepared under the Indirect method as set out in Indian Accounting Standard (Ind As 7) statement of Cash flows.



Notes 1 to 55 form an integral part of these standalone financial statements.
In terms of our report attached.

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

N.K. Lodha

Partner

M. No. 85155

Place *New Delhi*
Date : 22nd June, 2020



For and on behalf of the Board of Directors

[Signature]
S.L. Somani
Director
DIN: 00060931

[Signature]
Sandip Somany
Chairman and Managing Director
DIN: 00053597

[Signature]
Payal M. Puri
Company Secretary
ACS No.: 16068

[Signature]
Sandeep Sikka
Chief Financial Officer



Brilloca Limited

Standalone statement of changes in equity for the year ended 31 March 2020

a. Equity share capital	Particulars	Number of shares	Amount	(₹ in lakh)
Issued and paid up capital				
Balance as at 31 March 2018		500,000		10.00
Changes in equity share capital during the year		-		-
Balance as at 31 March 2019		500,000		10.00
Changes in equity share capital during the year		-		-
Balance as at 31 March 2020		500,000		10.00
b. Other equity				
Particulars	Reserves and surplus		Other comprehensive income	Total
	Securities Premium Account	General Reserve	Retained Earnings	
Balance as at 31 March 2018	-	-	(1.22)	(1.22)
Transfer as per Scheme of arrangement (Refer note 47)	3,913.05	1,323.86	4,928.41	3.91
Balance as on 1st April 2018	3,913.05	1,323.86	4,927.19	3.91
Profit for the year	-	-	7,377.60	-
Other comprehensive income for the year (net of income tax)	-	-	-	36.20
Total comprehensive income for the year	-	-	7,377.60	36.20
				7,413.80
Balance as at 31 March 2019	3,913.05	1,323.86	12,304.79	40.11
				17,581.81
Profit for the year	-	-	4,033.44	-
Other comprehensive income for the year (net of income tax)	-	-	-	(32.11)
Payment of dividend (including dividend distribution tax) (Refer note 54)	-	-	(3,013.88)	-
Total comprehensive income for the year	-	-	1,019.56	(32.11)
				987.45
Balance as at 31 March 2020	3,913.05	1,323.86	13,324.35	8.00
				18,569.26

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Notes 1 to 55 form an integral part of these standalone financial statements.

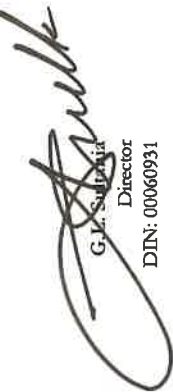
In terms of our report attached.

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


N.K. Lodha
Partner
M. No. 85155
Place : New Delhi
Date : 22nd June, 2020



For and on behalf of the Board of Directors


G.M. Sultana
Director
DIN: 00060931


Sandip Somany
Vice Chairman and Managing Director
DIN: 00053597


Payal M. Puri
Company Secretary
ACS No.: 16068


Sandeep Sikka
Chief Financial Officer



Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2020

1. Corporate information

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

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

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

2.1 Recent accounting pronouncements

A. Application of New Accounting Pronouncements

The Company applied for the first-time amendments to the following standards from 1st April 2019.

(i) Ind AS 116, Leases:

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied to its Lease contracts existing on April 1, 2019, using the modified retrospective method (simplified approach) . On transition date i.e. 1st April 2019 , the Company has recognised Right of Use Assets (ROU) and equivalent lease liability. Accordingly, the comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

(ii) Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments:

The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

(iii) Amendment to Ind AS 12, Income Taxes:

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.. Further, Dividend Distribution Tax (DDT) is not applicable with effective from April 1, 2020, , hence Income tax consequences related to DDT no more payable by the Company from financial year 2020-21.



Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2020 (contd.)

(iv) Amendment to Ind AS 23, Borrowing Costs:

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company's existing policy is in line with these amendments and there is no effect on its Financial Statements.

B. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. Till the date of approval of this financial statements there is no such notification which is made applicable from 1st April, 2020.

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 2020 are prepared complying applicable Ind AS.

The standalone financial statement of the Company as at and for the year ended 31st March 2020 (including comparatives) were approved and authorised by the Board of Directors on 22nd June, 2020

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 interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

3.4 Goodwill

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

3.5 Revenue recognition

Revenue from contracts with customers 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.



Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2020 (contd.)

Sale of products:

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

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

Rendering of services:

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

Interest and dividends

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

3.6 Leases

The Company has adopted Ind AS 116-Leases w.e.f. 1st April, 2019, using the modified retrospective method (simplified approach). The Company has applied the standard to its lease contracts existing on the date of initial application (1st April, 2019). The company recorded the lease liability at the present value of the future lease payments as on initial application date of standard i.e. 1st April 2019 and Right of Use Assets (ROU) with corresponding amount. Accordingly, previous period information has not been restated and no adjustment in retained earnings has been made.

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

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

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

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost



Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2020 (contd.)

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.

3.7 Foreign currency transactions and translations

Initial recognition

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

Measurement at the balance sheet date

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

Treatment of exchange difference

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

3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale.

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



3.9 Employee benefits

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

Defined contribution plans

The Company's contribution to provident fund and pension fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees. The Company has no legal or constructive obligation to pay contribution in addition to its fixed contribution. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under Employees Provident Fund and Misc. Provisions Act, 1952 and short fall, if any, shall be made good by the company.

In respect of certain employees contributions are made to a trust administrated by the Company/employees.

Defined benefit plans

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

Short-term employee benefits

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

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

Long-term employee benefits

Compensated absences which are allowed to carried forward over a period in excess of 12 months after the end of the period in which the employee renders the related service are recognised as a



Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2020 (contd.)

liability at the present value of the defined benefit obligation as at the Balance Sheet date out of which the obligations are expected to be settled.

3.10 Taxation

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

Current tax

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

Deferred tax

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future opening results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

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

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

3.11 Operating cycle

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

3.12 Operating expenses

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

3.13(a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Property, plant and equipment are stated at their original cost including freight, duties, taxes and other incidental expenses relating to acquisition and installation.



Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2020 (contd.)

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

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises the new part and is depreciated accordingly. Further, when major overhauling/ repair are performed, the cost associated with this is capitalised, if the recognition criteria are satisfied, and is then depreciated over the remaining useful life of asset or over the period of next overhauling due, whichever is earlier. All other repair and maintenance costs are recognised in the statement of profit and loss as and when incurred.

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

(b) Intangible assets

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

(c) Capital work-in-progress

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

3.14 Depreciation and amortisation

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

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

Asset class	Useful life
Property, plant and equipment	
Plant and machinery	10-15 years
Furniture and fixtures	10 years
Office equipment	5 years
Computer	3-6 years
Vehicles	8 years*
Intangible assets	
Software	6 years

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



Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2020 (contd.)

3.15 Impairment of property, plant and equipment

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

3.16 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.

3.17 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.

3.18 Inventories

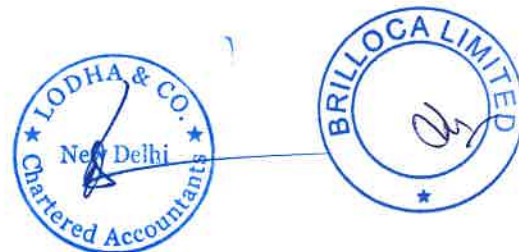
Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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.

3.19 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.

3.20 Equity, reserves and dividend payments



Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2020 (contd.)

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

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

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

3.21 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.

3.22 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.

3.23 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



Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2020 (contd.)

recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

b. Subsequent measurement

(i) Financial assets carried at amortised cost

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

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

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

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

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

c. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets measured at amortised cost and assets measured at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37 details how the Company determines whether there has been a significant increase in credit risk.

d. Derecognition of financial assets

A financial asset is derecognised when:

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

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

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



Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2020 (contd.)

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.

3.24 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.

3.25 Significant accounting judgements, estimates and assumptions

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

Estimates and assumptions

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



Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2020 (contd.)

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 37).



Brilloca Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

Note 4 - Property, plant and equipment

Description of assets	Right to use - Building	Plant and equipment	Office equipment	Furniture and fixtures	Computers	Vehicles	Total (₹ in lakh)
I. Gross block							
Balance as at 31 March 2018	-	-	-	-	-	-	-
Transfer due to Scheme as on 1 April, 2018 (Refer note 47)	-	303.45	212.83	2,778.21	531.64	281.85	4,107.98
Balance as at 1 April 2018	-	303.45	212.83	2,778.21	531.64	281.85	4,107.98
Additions	-	4,671.21	41.84	1,453.36	211.04	38.79	6,416.24
Disposals/adjustment	-	(8.50)	(1.16)	(9.14)	(13.42)	(12.87)	(45.09)
Balance as at 31 March 2019	-	4,966.16	253.51	4,222.43	729.26	307.77	10,479.13
Additions	3,344.48	217.24	136.95	1,208.56	87.00	251.52	5,245.75
Disposals/adjustment	-	-	1.24	(59.14)	(89.70)	(41.60)	(189.20)
Balance as at 31 March 2020	3,344.48	5,183.40	391.70	5,371.85	726.56	517.69	15,535.68
II. Accumulated depreciation and amortisation							
Balance as at 31 March 2018	-	-	-	-	-	-	-
Transfer due to Scheme as on 1 April, 2018 (Refer note 47)	-	54.29	120.67	493.39	306.09	88.40	1,062.84
Balance as at 1 April 2018	-	54.29	120.67	493.39	306.09	88.40	1,062.84
Depreciation and amortisation charge for the year	-	326.11	39.38	785.86	144.08	53.21	1,348.64
Disposals/adjustment	-	(1.72)	(0.92)	(8.54)	(13.64)	(8.81)	(33.63)
Balance as at 31 March 2019	-	378.68	159.13	1,270.71	436.53	132.80	2,377.85
Depreciation and amortisation charge for the year	528.48	545.95	52.95	1,000.06	167.80	64.22	2,359.46
Disposals/adjustment	-	-	1.48	(36.57)	(69.41)	(24.06)	(128.56)
Balance as at 31 March 2020	528.48	924.63	213.56	2,234.20	534.92	172.96	4,608.75
Net block (I-II)							
Balance as at 31 March 2020	2,816.00	4,258.77	178.14	3,137.65	191.64	344.73	10,926.93
Balance as at 31 March 2019	-	4,587.48	94.38	2,951.72	292.73	174.97	8,012.28

Note :

1. Refer note 17 for details of property, plant and equipment pledged as security by the Company.



Brilloca Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

Note 5 - Other intangible assets

Description of assets	Computer software	(₹ in lakh) Total
I. Gross block		
Balance as at 31 March 2018	-	-
Transfer due to Scheme as on 1 April, 2018 (Refer note 47)	353.70	353.70
Balance as at 1 April 2018	353.70	353.70
Additions	19.86	19.86
Disposals/adjustment	-	-
Balance as at 31 March 2019	373.56	373.56
Additions	25.97	25.97
Disposals/adjustment	91.51	91.51
Balance as at 31 March 2020	491.04	491.04
II. Accumulated amortisation		
Balance as at 31 March 2018	-	-
Transfer due to Scheme as on 1 April, 2018 (Refer note 47)	193.39	193.39
Balance as at 1 April 2018	193.39	193.39
Amortisation charge for the year	63.85	63.85
Disposals/adjustment	-	-
Balance as at 31 March 2019	257.24	257.24
Amortisation charge for the year	53.09	53.09
Disposals/adjustment	72.15	72.15
Balance as at 31 March 2020	382.48	382.48
Net block (I-II)		
Balance as on 31 March 2020	108.56	108.56
Balance as on 31 March 2019	116.32	116.32

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Brilloc Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

Note 6 - Non current investments*

Particulars	(₹ in lakh)			
	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Unquoted investments (fully paid-up) (At cost)				
Halis International Limited, Mauritius (Equity share, face value USD 1 each)	1705000	782.50	1,705,000	782.50
Less : Provision for impairment of investments		(782.50)		(782.50)
Alchemy International Cooperative U.A., Netherlands (Euro 180)	180	0.12	180	0.12
Halis International Limited, Mauritius (Preference Share, face value USD 1 each)	2036000	1,176.05	2036000	1,176.05
Less : Provision for impairment of investments		(1,100.83)		(1,100.83)
Unquoted investments		75.34		75.34
Total investments carried at cost		75.34		75.34

* Transfer due to Scheme of arrangement as on 1 April, 2018 (Refer note 47)

Other disclosures

Aggregate amount of unquoted investments

75.34

75.34



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Brilloca Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

Note 7 - Non-current financial assets - loans

Particulars	(₹ in lakh)	
	As at 31 March 2020	As at 31 March 2019
(unsecured and considered good)		
Security deposits	318.14	245.12
	318.14	245.12

Note 8 - Other non-current assets

Particulars	(₹ in lakh)	
	As at 31 March 2020	As at 31 March 2019
(unsecured and considered good)		
Capital advances	20.26	49.67
Considered doubtful	15.15	15.15
Less : Provision for doubtful advances	(15.15)	(15.15)
Balances with government authorities	123.45	115.21
	143.71	164.88

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Brilloca Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

Note 9 - Inventories

Particulars	(₹ in lakh)	
	As at 31 March 2020	As at 31 March 2019
(As taken and certified by the management, valued at cost or net realisable value)		
Stock-in-trade of goods acquired for trading	17,534.58	17,124.43
Stores and spares	18.73	-
	17,553.31	17,124.43

Notes

Refer note 22 for information on inventory pledged as security by the Company.

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Brilloca Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

Note 10 - Current investments

Particulars	(₹ in lakh)			
	As at 31 March 2020		As at 31 March 2019	
	Units	Amount	Units	Amount
Fair value through profit and loss (FVTPL)				
Quoted investments				
HDFC Liquid Fund-Regular Plan-Growth	213.999	8.31	224.764	8.23
	213.999	8.31	224.764	8.23

Other disclosures

Aggregate amount of quoted investments- at cost	7.24	7.60
Aggregate amount of quoted investments- at market value	8.31	8.23



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Brilloca Limited**Significant accounting policies and other explanatory information to the Standalone financial statements
as at and for the year ended 31 March 2020****Note 11 - Trade receivables****(₹ in lakh)**

Particulars	As at 31 March 2020	As at 31 March 2019
Secured, considered good	1,447.40	1,552.14
Unsecured, considered good	22,791.05	25,306.51
Trade Receivables - Credit impaired	2,580.62	1,989.49
	26,819.08	28,848.14
Less: Provision for impairment/Expected credit loss	2,580.62	1,989.49
	24,238.46	26,858.65

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

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	1,989.49	-
Transfer under the Scheme as on 1 April, 2018 (Refer note 47)	-	1,492.31
Expected credit losses provided for during the year (Refer note 35)	591.14	498.17
Amounts written back during the year (net)	(0.01)	(0.99)
	2,580.62	1,989.49



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Brilloca Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

Note 12 - Cash and cash equivalents

Particulars	(₹ in lakh)	
	As at 31 March 2020	As at 31 March 2019
Balances with banks	67.88	250.48
Cheques, drafts on hand	50.60	992.87
Cash in hand	3.47	-
Remittance in transit	52.34	-
	174.29	1,243.35

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



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Brilloca Limited**Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020****Note 13 - Current financial assets - Other financial assets**

Particulars	(₹ in lakh)	
	As at 31 March 2020	As at 31 March 2019
(unsecured and considered good)		
Other receivable *	1,560.23	10,324.43
	1,560.23	10,324.43

* Including of HSIL Limited of ₹ 955.48 Lakh (previous year 9768.18 lakh) post implementation of Scheme (Refer note 47)

Note 14 - Other current assets

Particulars	(₹ in lakh)	
	As at 31 March 2020	As at 31 March 2019
(unsecured and considered good)		
Prepaid expenses	371.74	192.62
Balances with government authorities	3,053.32	2,482.08
Others		
- Advance to suppliers	1,152.96	307.71
Considered doubtful	4.43	4.43
less : Provision against Advance to Vendors	(4.43)	(4.43)
- Employee advances	55.29	12.03
- Other current assets	1,074.00	1,678.47
	5,707.31	4,672.91



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Brilloca Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

Note 15 - Equity share capital

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares	(₹ in lakh)	No. of shares	(₹ in lakh)
Authorised:				
Equity shares of ₹ 2 each	500,000	10.00	500,000	10.00
Issued:				
Equity shares of ₹ 2 each	500,000	10.00	500,000	10.00
Subscribed and fully paid:				
Equity shares of ₹ 2 each	500,000	10.00	500,000	10.00
	500,000	10.00	500,000	10.00

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	(₹ in lakh)	Number	(₹ in lakh)
Equity shares outstanding at the beginning of the year	500,000	10.00	500,000	10.00
Add: Shares issued during the year	-	-	-	-
Equity shares outstanding at the end of the year	500,000	10.00	500,000	10.00

(b) Terms and rights attached to equity shares

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

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

	31 March 2020		31 March 2019	
	Number	% of holding	Number	% of holding
Somany Home Innovation Limited	500,000	100.00	500,000	100.00

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

(d) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus shares and bought back during the last 5 years.

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Note 16- Other equity

(₹ in lakh)

Particulars	Reserves and surplus			Other comprehensive income	Total
	Securities Premium Account	General Reserve	Retained Earnings	Actuarial gain / (loss)	
Balance as at 31 March 2018	-	-	(1.22)	-	(1.22)
Transfer due to Scheme (Refer note 47)	3,913.05	1,323.86	4,928.41	3.91	10,169.23
Balance as on 1st April 2018	3,913.05	1,323.86	4,927.19	3.91	10,168.01
Profit for the year	-	-	7,377.60	-	7,377.60
Other comprehensive income for the year (net of income tax)	-	-	-	36.20	36.20
Total comprehensive income for the year	-	-	7,377.60	36.20	7,413.80
Balance as at 31 March 2019	3,913.05	1,323.86	12,304.79	40.11	17,581.81
Profit for the year	-	-	4,033.44	-	4,033.44
Other comprehensive income for the year (net of income tax)	-	-	-	(32.11)	(32.11)
Payment of dividend (including dividend distribution tax) (Refer note 54)	-	-	(3,013.88)	-	(3,013.88)
Total comprehensive income for the year	-	-	1,019.56	(32.11)	987.45
Balance as at 31 March 2020	3,913.05	1,323.86	13,324.35	8.00	18,569.26

Nature and purpose of other reserve:

1. Securities premium account is used to record the premium on issue of shares. The same is utilised in accordance with the provisions of the Act.
2. Reserves/ Surplus as on 01st April, 2018 has been transferred pursuant to Scheme of arrangement.
3. General reserves was created by transferring certain amount out of profits at the time of distribution of dividend in the past.

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Brilloca Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

Note 17 - Non current financial liabilities - Borrowings**(₹ in lakh)**

Particulars	As at 31 March 2020	As at 31 March 2019
Measured at amortised cost		
Secured:		
Term loan from bank:		
Rupee loan	3,500.00	3,500.00
Term loans from financial institution:		
Vehicle loan	10.00	-
	3,510.00	3,500.00
Less: Current maturities of long term borrowing (Note 24)	178.04	-
	3,331.96	3,500.00

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

Particulars	Currency	Year of maturity	Carrying amount as at 31 March 2020	Carrying amount as at 31 March 2019
Secured loan from bank - rupee loans	₹	2026-27	3,500.00	3,500.00
Secured loan from financial institution - rupee loans	₹	2022-23	10.00	-

Note:

Note:-1. Loan is secured by First pari-passu Charge on Movable Fixed Assets (PPE) of the company.

Note:-2. The interest rate for the above rupee term loans from bank is based on 1 year MCLR + 08bps.

Note:-3 Repayable in 14 half yearly instalments starting from June 2020 to December 2026.

Note:-4. Vehicle loan is secured by way of hypothecation of the respective vehicle thus purchased, repayable in 36 equal monthly instalments starting from 1st April 2020 having interest rate 8.99% p.a.

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Brilloca Limited

**Significant accounting policies and other explanatory information to the Standalone financial statements
as at and for the year ended 31 March 2020**

Note 18 - Non-current financial liabilities - Other financial liabilities

Particulars	(₹ in lakh)	
	As at 31 March 2020	As at 31 March 2019
Trade deposits	2,797.38	2,629.80
Lease liability (Refer note 46)	2,432.41	-
	<u>5,229.79</u>	<u>2,629.80</u>

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Brilloca Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

Note 19 - Non-current liabilities - Provisions**(₹ in lakh)**

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
Long-term employee benefits		
Provision for compensated absences	321.06	290.01
Provision for long service award	61.48	-
Provision for warranty	186.64	83.15
	569.18	373.16

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

Particulars	Amount
Balance as at 1 April 2018	-
Transfer due to Scheme as on 1 April, 2018 (Refer note 47)	353.69
Additional provisions recognised (included in Other expenses)	0.79
Utilised during the year	(109.94)
	244.54
Less: Current liability (refer note 27)	161.39
Balance as at 31 March 2019	83.15
Balance as at 1 April 2019	-
Additional provisions recognised (included in Other expenses)	65.00
Utilised during the year	(122.91)
	186.64
Less: Current liability (Refer note 27)	-
Balance as at 31 March 2020	186.64

Warranty claims:

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

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Note 20 - Deferred tax liabilities (net)

(₹ in lakh)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax liability arising on account of		
Difference between book balance and tax balance of property, plant and equipment	-	98.48
	-	98.48
Deferred tax asset arising on account of		
Difference between book balance and tax balance of property, plant and equipment	80.09	-
Provision for doubtful debts and loans and advances	662.43	702.05
Provision for employee benefits	86.78	87.21
Others	72.97	-
	902.27	789.26
	(902.27)	(690.78)

Deferred tax assets (net)

Deferred tax assets (net) in relation to:

(₹ in lakh)

Particulars	As at 1 April 2019	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2020
Deferred tax liability arising on account of				
Difference between book balance and tax balance of property, plant and equipment	98.48	(178.57)	-	(80.09)
Sub total	98.48	(178.57)	-	(80.09)
Deferred tax asset arising on account of				
Provision for doubtful debts and loans and advances	702.05	(39.62)	-	662.43
Provision for employee benefits	87.21	(11.50)	11.07	86.78
Others		72.97	-	72.97
Sub total	789.26	21.85	11.07	822.18
Net deferred tax assets	(690.78)	(200.42)	(11.07)	(902.27)

Deferred tax assets (net) in relation to:

(₹ in lakh)

Particulars	As at 1 April 2018	Transfer due to Scheme as on 1st April, 2018 (Refer note 47)	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2019
Deferred tax liability arising on account of					
Difference between book balance and tax balance of property, plant and equipment	-	183.87	(85.39)	-	98.48
Sub total	-	183.87	(85.39)	-	98.48
Deferred tax asset arising on account of					
Investments at fair value through OCI	-	-	-	-	-
Provision for doubtful debts and loans and advances	-	523.02	179.03	-	702.05
Provision for employee benefits	-	78.90	27.75	(19.44)	87.21
Sub total	-	601.92	206.78	(19.44)	789.26
Net deferred tax assets	-	(418.05)	(292.17)	19.44	(690.78)



Brilloc Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

Note 21 - Other non-current liabilities

Particulars	(₹ in lakh)	
	As at 31 March 2020	As at 31 March 2019
Employee related payables	131.18	43.47
	<u>131.18</u>	<u>43.47</u>

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Brilloca Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

Note 22 - Current financial liabilities - Borrowings

Particulars	(₹ in lakh)	
	As at 31 March 2020	As at 31 March 2019
Secured borrowings		
From banks		
Cash credit - loans repayable on demand	831.82	598.25
Working capital demand loan	14,714.00	14,300.00
	15,545.82	14,898.25

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 demand loan from banks repayable within 20 days to 90 days from disbursement and is secured by hypothecation of all current assets including stocks and book debts, present and future.
- c) The interest rate for the above short term borrowings varies from 7.60% p.a. to 9.75% p.a.

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Brilloca Limited**Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020****Note 23 - Trade payables**

Particulars	(₹ in lakh)	
	As at 31 March 2020	As at 31 March 2019
-total outstanding dues of micro and small enterprises	1,332.63	1,554.00
-total outstanding dues of creditors other than micro and small enterprises *	3,291.57	11,991.12
Trade payable	4,624.20	13,545.12

* Including of HSIL Limited of ₹ 1691.06 Lakh (previous year 8889.29 lakh) post implementation of Scheme (Refer note 47)

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 2020	As at 31 March 2019
Principal amount remaining unpaid to any supplier	302.90	1,554.00
Interest due thereon remaining unpaid to any supplier	86.07	60.52
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	Nil	Nil
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil
Interest accrued and remaining unpaid	86.07	60.52
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	Nil	Nil



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Brilloca Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

Note 24 - Current financial liabilities - Other financial liabilities

Particulars	(₹ in lakh)	
	As at 31 March 2020	As at 31 March 2019
Current maturities of long-term borrowings (Refer note 17)	178.04	-
Interest accrued but not due on borrowings	57.71	73.39
Earnest money deposits	2.95	2.95
Security deposits/retention money payable	4.92	0.70
Others		
Towards capital creditors	77.58	42.69
Employee related payables	2,373.91	1,666.30
Towards expenses payable *	966.50	2,068.52
Commission payable to directors	59.94	-
Gratuity payable (net of obligation)	127.40	11.12
Lease liability (Refer note 46)	417.78	-
Other payables	6,673.01	5,999.49
	10,939.74	9,865.16

* Including of HSIL Limited of ₹ Nil Lakh (previous year 892.35 lakh) post implementation of Scheme (Refer note 47)

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Brilloca Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

Note 25 - Other current liabilities

Particulars	(₹ in lakh)	
	As at 31 March 2020	As at 31 March 2019
Advances received from customers	594.94	642.03
Employee related payables	-	64.07
Payable towards statutory dues	1,819.40	1,269.10
Other payables	-	769.93
	2,414.34	2,745.13

Note 26 - Provision for income tax (net)

Particulars	(₹ in lakh)	
	As at 31 March 2020	As at 31 March 2019
Provision for Income tax opening	4,283.99	-
Provision for the year	1,830.23	4,283.99
	6,114.22	4,283.99
Less: Advance tax paid *	5,560.09	-
	554.13	4,283.99

* Including advance tax of ₹ 1100 Lakh (previous year Nil lakh) paid by HSIL Limited and endorsed in favour of the Company post implementation of Scheme (Refer note 47)

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Brilloca Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

Note 27 - Current liabilities - Provisions**(₹ in lakh)**

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
Long-term employee benefits		
Provision for compensated absences	17.60	15.20
Provision for long service award	8.13	-
Provision for warranty	-	161.39
	25.73	176.59

Warranty claims:

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

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Brilloca Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

Note 28 - Revenue from operations

	(₹ in lakh)	
Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of goods	114,656.73	124,073.36
Sale from rendering of services	13.97	10.08
Other operating revenue @	1,416.80	3,067.64
	116,087.50	127,151.08
Segment wise revenue information		
a) Building Products	116,087.50	127,151.08
b) Others	-	-
Total	116,087.50	127,151.08
Total income from operations	116,087.50	127,151.08

ii) Unsatisfied Performance Obligation

Aggregated amount of Transaction Price allocated to the contracts

i) Sale of Goods	594.94	642.03
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iii) Reconciliation of contract price vis a vis revenue recognised in profit and loss statement is as follows:-
Contract Price

a) Sale of goods & services	189,319.05	196,247.97
b) Sale of Service	13.97	10.08
c) Other operating revenue	1,416.80	3,067.64

Adjustment:-

Discount/Rebate	74,662.32	72,174.61
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Revenue recognised in the statement of profit and loss account	116,087.50	127,151.08
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@ Other operating revenues comprise of:

Sundry balances and liabilities no longer required, written back	624.66	1,077.32
Excess provision of doubtful debts written back	-	139.50
Gain on foreign exchange fluctuations	132.23	102.86
Insurance claims received	39.16	143.59
Scrap sales	37.75	525.88
Miscellaneous receipts	583.00	1,078.49
	1,416.80	3,067.64

Note 29 - Other income

	(₹ in lakh)	
Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income on financial assets	13.03	5.94
Rental income	0.02	-
Profit on sale of current investments (net)	0.01	0.05
Profit on sale of property, plant and equipment	5.21	-
Gain arising on financial instruments designated as at FVTPL (net)	0.48	0.56
Management fee	1,993.46	1,349.90
Miscellaneous income	42.00	53.48
	2,054.21	1,409.93



Brilloca Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

Note 30 - Purchases of traded goods

Particulars	(₹ in lakh)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Sanitaryware and other products(net)	79,443.59	81,405.35
	79,443.59	81,405.35

Note 31 - Changes in inventories of stock-in-trade

Particulars	(₹ in lakh)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Inventories at the end of the year:		
Stock-in-trade	17,534.58	17,124.43
	17,534.58	17,124.43
Inventories at the beginning of the year:		
Stock-in-trade	17,124.43	-
Stock-in-trade transferred due to Scheme (Refer note 47)	-	18,782.88
	17,124.43	18,782.88
Changes in inventories of stock-in-trade	(410.15)	1,658.45

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Brilloca Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

Note 32 - Employee benefits expense

Particulars	(₹ in lakh)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	11,676.66	10,640.45
Contribution to provident funds and other funds	525.41	377.80
Staff welfare expenses	545.78	428.29
	12,747.85	11,446.54

Note 33 - Finance cost

Particulars	(₹ in lakh)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on financial liabilities	1,787.24	2,028.04
Interest on lease liability (Refer note 46)	224.99	-
	2,012.23	2,028.04

Note 34 - Depreciation and amortisation

Particulars	(₹ in lakh)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation and amortisation of Property, plant and equipment (Refer note 4)	1,830.98	1,348.64
Amortisation of other intangible assets (Refer note 5)	53.09	63.85
Depreciation on right to use - Building (Refer note 4)	528.48	-
	2,412.55	1,412.49

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Brilloca Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

Note 35 - Other expenses

Particulars	(₹ in lakh)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Power and fuel	3.57	5.67
Consumption of stores and spares	12.59	45.55
Consumption of packing material	312.42	358.35
Repairs and maintenance:		
Buildings	12.05	10.31
Plant and machinery	2.43	16.29
Others	381.67	123.77
Rent (including lease charges)	963.14	1,561.81
Rates and taxes	9.00	20.10
Directors sitting fees	0.50	-
Insurance	182.92	22.35
Travelling and conveyance	2,472.83	2,076.28
Commission on sales	318.43	380.76
Freight and forwarding charges	74.39	133.47
Advertisement and publicity	3,417.89	5,627.28
Transportation and forwarding	4,754.66	5,098.06
Sales promotion expenses *	1,063.34	1,291.11
Other selling expenses	111.46	105.99
Provision for expected credit loss (Refer note 11)	591.14	498.17
Provision for doubtful advances/debts	-	15.15
Bad debts written off	32.94	0.39
Loss on sale of property, plant and equipment	22.93	19.84
Management fees	115.00	-
Miscellaneous expenses	1,417.09	1,830.02
	16,272.39	19,240.72

* Inclusive of warranty expenses

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Brilloca Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

Note 36 Current tax and deferred tax**(a) Income tax expense through profit and loss****(₹ in lakh)**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax:		
Current income tax charge (including Minimum alternate tax)	1,830.23	4,283.99
	1,830.23	4,283.99
Deferred tax:		
In respect of current year origination and reversal of temporary differences	(200.42)	(292.17)
Total tax expense recognised in profit and loss account	1,629.81	3,991.82

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax		
Re-measurement of defined benefit obligations	11.07	(19.44)
	11.07	(19.44)

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

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Company at 25.168% (31 March 2019: 34.944%) and the reported tax expense in the statement of profit and loss are as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Profit / (loss) before tax	5,663.25	11,369.42
Domestic tax rate for the Company	25.168%	34.944%
Latest statutory enacted income tax for the Company	1,425.33	3,972.93
Tax effect of :		
- Non deductible expenses	139.23	21.15
- Tax rate difference	67.52	-
Others	(2.27)	(2.26)
Income-tax recognised in statement of profit and loss	1,629.81	3,991.82

(d) Adoption of new tax rate- The Company has decided to exercise the option permitted under section 115 BAA of the income tax Act, 1961 as introduced by the taxation laws (amendment ordinance, 2019 from the current financials year) accordingly the provision for income tax and deferred tax balances have been recorded/re-measured using the new tax rate and the resultant impact have been recognised in the current periods audited financial results.

(e) There is no temporary differences associated with investment in subsidiaries.



Note - 37 Financial instruments and risk review

Capital management

The Company manages its capital to be able to continue as a going concern while maximising the returns to shareholders through optimisation of the debt and equity balance. The capital structure consists of debt which includes the borrowings as disclosed in note 17 and 22; cash and cash equivalents as disclosed in note 12 and equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained earnings as disclosed in the Statement of changes in equity. For the purpose of calculating gearing ratio, debt is defined as non current and current borrowings (excluding derivatives). Equity includes all capital and reserves of the Company attributable to equity holders of the Company. The Company is not subject to externally imposed capital requirements. The Board reviews the capital structure and cost of capital on an annual basis but has not set specific targets for gearing ratios. The risks associated with each class of capital are also considered as part of the risk reviews presented to the Board of Directors.

The following table summarises the capital of the Company

	Note	As at 31 March 2020	As at 31 March 2019
(₹ in lakh)			
Equity		18,579.26	17,591.81
Liquid assets (cash and cash equivalent and current investments) (a)		182.60	1,251.58
Current borrowings	22	15,545.82	14,898.25
Non-current borrowings	17 & 18	3,331.96	3,500.00
Current maturities of non current borrowings	24	178.04	-
Total debt (b)		19,055.82	18,398.25
Net debt [c = (b) - (a)]		18,873.22	17,146.67
Total capital (equity + net debt)		37,452.48	34,738.48
Gearing ratio			
Debt to equity		103 th	105 th
Net debt to equity ratio		102 th	97 th

Categories of financial instruments

Categories of financial assets/(liabilities)

Categories of financial assets/(liabilities)							(₹ in lakh)
Particulars	Notes	31 March 2020			31 March 2019		
		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	24,238.46	-	-	26,858.65	-	-
Loans	7	318.14	-	-	245.12	-	-
Other financial assets	13	1,560.23	-	-	10,324.43	-	-
Cash and bank balances	12	174.29	-	-	1,243.35	-	-
Investments	6, 10	75.34	-	-	75.34	-	-
Total Financial assets measured at amortised costs		26,366.46	-	-	38,746.89	-	-
Financial assets measured at fair value							
Investments	6, 10	8.31	0.48	-	8.23	0.56	-
Derivative contracts	13	-	-	-	-	-	-
Financial assets at fair value		8.31	0.48	-	8.23	0.56	-
Total financial assets		26,374.77	0.48	-	38,755.12	0.56	-
Financial liabilities measured at amortised cost							
Current payables	22, 23, 24	31,109.76	-	-	38,308.53	-	-
Non-current payables	18	5,229.79	-	-	2,629.80	-	-
Non-current borrowings	17	3,331.96	-	-	3,500.00	-	-
Financial liabilities measured at amortised cost		39,671.51	-	-	44,438.33	-	-
Total financial assets/(liabilities)		(13,296.74)	0.48	-	(5,683.21)	0.56	-

Financial risk management objective

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

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



Note - 37 Financial instruments and risk review (contd.)**Credit risk:**

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

Cash and cash equivalents and short term investments

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

Trade receivables

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

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

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

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

Expected credit loss :

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

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

Ageing of past due trade receivables

(₹ in lakh)

Period	As at 31 March 2020	As at 31 March 2019
Not due for payment	6,649.43	13,291.12
Up to 6 months	14,205.04	10,854.58
From 6 months to 1 year	1,260.82	1,107.81
From 1 year to 3 years	2,521.91	1,838.84
More than 3 years	2,181.88	1,755.79

Ageing of impaired trade receivables

Period	As at 31 March 2020	As at 31 March 2019
Up to 6 months	-	-
From 6 months to 1 year *	-	-
From 1 year to 3 years	398.74	233.70
More than 3 years	2,181.88	1,755.79

* Based upon lifetime expected credit loss

Liquidity risk:

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

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



Note - 37 Financial instruments and risk review (contd.)

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

(₹ in lakh)					
As at 31 March 2020					
Particulars	Notes	not later than one year	later than one year and not later than five years	later than five years	Total
Financial liabilities					
Borrowings - bank loans	Note 17, 22, 24	15,723.86	1,931.96	1,400.00	19,055.82
Current payables	Note 23, 24	15,594.50			15,594.50
Non-current payables	Note 18	-	2,252.96	3,596.05	5,849.01
Total		31,318.36	4,184.92	4,996.05	40,499.33

(₹ in lakh)					
As at 31 March 2019					
Particulars	Notes	not later than one year	later than one year and not later than five years	later than five years	Total
Financial liabilities					
Borrowings - bank loans	Note 17, 22, 24	14,898.25	1,575.00	1,925.00	18,398.25
Current payables	Note 23, 24	23,410.28	-	-	23,410.28
Non-current payables	Note 18	-	-	2,629.80	2,629.80
Total		38,308.53	1,575.00	4,554.80	44,438.33

Market risk

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

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

Currency risk

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

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

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

(in lakh)			
Particulars	Currency	As at 31 March 2020	As at 31 March 2019
Trade receivables	USD	11.49	5.42
Trade payables	USD	0.72	0.05
	EUR	0.10	0.49
	AED	0.13	-

Currency rate

	As at 31 March 2020	As at 31 March 2019
USD	75.3859	69.1713
EUR	83.0496	77.7024
AED	20.4905	18.9443

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

(in lakh)			
Particulars	Currency	As at 31 March 2020	As at 31 March 2019
Trade receivables	USD	11.49	5.42
Trade payables	USD	0.72	0.05
	EUR	0.10	0.49
	AED	0.13	-



Note - 37 Financial instruments and risk review (contd.)

Sensitivity analysis

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

Currency	Change in currency exchange rate	Effect on profit before tax 31 March 2020	Effect on profit before tax 31 March 2019
			(₹ in lakh)
USD	5% ₀ -5% ₀	40.59 (40.59)	18.57 (18.57)
EUR	5% ₀ -5% ₀	(0.42) 0.42	(1.89) 1.89
AED	5% ₀ -5% ₀	(0.14) 0.14	- -

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

Interest rate risk

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

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

Particulars	Change in interest rate	Effect on profit before tax 31 March 2020	Effect on profit before tax 31 March 2019
			(₹ in lakh)
Long term borrowings from bank	0.50% ₀ -0.50% ₀	(17.55) 17.55	(17.50) 17.50

Commodity risk

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

Note 38 - Fair value measurement

Fair valuation techniques and inputs used

Financial assets	Fair value as at (₹ in lakh)		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	'31 March 2020	31 March 2019				
Current investments	214.00	224.76	1	-	-	-

Other financial instruments

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

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Note 39 - Employee benefits

A. Defined contribution plan

The Company operates defined contribution retirement benefit plans for all employees. The assets of the plans are held separately from those of the Companies in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The Company's contribution to Provident Fund and Superannuation Fund aggregating to ₹ 362.54 lakh (previous year ₹ 299.25 lakh) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

B. Defined benefit plans

Gratuity

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

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

Particulars	(₹ in lakh)	
	Funded plan	
	Gratuity	
	31 March 2020	31 March 2019
Current service cost	123.07	93.03
Net interest expense/(income)	(0.35)	(0.15)
Components of defined benefit costs recognised in profit or loss	122.72	92.88
Net actuarial (gain)/loss	16.51	(50.25)
Expected return on plan assets excluding interest income	26.67	(5.39)
Components of defined benefit costs recognised in other comprehensive income	43.18	(55.64)
I. Net asset/(liability) recognised in the balance sheet as at 31 March		
1. Present value of defined benefit obligation	557.45	423.54
2. Fair value of plan assets	430.05	412.42
3. Deficit	127.40	11.12
4. Current portion of the above	127.40	11.12
II. Change in the obligation during the year ended 31 March		
1. Present value of defined benefit obligation at the beginning of the year *	423.54	402.44
2. Expenses recognised in the statements of profit and loss		
- Current service cost	123.07	93.03
- Interest expense	27.08	28.85
3. Recognised in other comprehensive income		
- Actuarial (gain)/loss arising from experience adjustments	(39.68)	(53.67)
- Actuarial (gain)/loss arising from financial assumption	56.19	3.42
4. Benefit payments	(32.75)	(50.53)
5. Present value of defined benefit obligation at the end of the year	557.45	423.54



Particulars	(₹ in lakh)	
	Funded plan	
	Gratuity	
	31 March 2020	31 March 2019
III. Change in fair value of assets		
1. Fair value of plan assets at the beginning of the year *	412.42	379.11
2. Recognised in the statement profit and loss		
- Expected return on plan assets	27.43	29.00
3. Recognised in other comprehensive income		
- Actual return on plan assets in excess of the expected return	(26.67)	5.39
4. Contributions by employer (including benefit payments recoverable)	49.62	49.45
5. Benefit payments	(32.75)	(50.53)
6. Fair value of plan assets at the end of the year	430.05	412.42

IV. The major categories of plan assets

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

V. Actuarial assumptions

	31 March 2020	31 March 2019
1. Discount rate	6.65%	7.65%
2. Expected rate of increase in compensation level	6.50%	6.50%
3. Expected rate of return on plan assets	6.65%	7.65%
4. Attrition rate	1.00%	1.00%
5. Mortality table	IALM 2006-08	IALM 2006-08
6. Superannuation age	58	58

VI. Sensitivity analysis

Particulars	(₹ in lakh)			
	31 March 2020		31 March 2019	
	Change in assumption	Effect on gratuity obligation	Change in assumption	Effect on gratuity obligation
Discount rate	0.50%	(30.73)	0.50%	(23.30)
	-0.50%	33.59	-0.50%	25.42
Expected rate of increase in compensation level	0.50%	31.69	0.50%	23.90
	-0.50%	(29.29)	-0.50%	(22.03)

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

VII. Experience adjustments :

	(₹ in lakh)	
	FY 2019-20	FY 2018-19
1. Defined benefit obligation	557.45	423.54
2. Fair value of plan assets	430.05	412.42
3. Surplus/(deficit)	(127.40)	(11.12)
4. Experience adjustment on plan liabilities gain/(loss)	39.68	53.67

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.

* For opening as on 1st April, 2018 transfer pursuant to Scheme of arrangement (Refer note 47 & 53)



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

	(₹ in lakh)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Amounts recognised in the balance sheet		
Non current (Refer note 19)	321.06	290.01
Current (Refer note 27)	17.60	15.20
	<u>338.66</u>	<u>305.21</u>
Amounts recognised in the statement of profit and loss		
Current service cost	102.87	85.88
Interest cost	23.35	17.41
Actuarial loss	(1.76)	9.90
Total included in employee benefits expense	<u>124.46</u>	<u>113.19</u>
Reconciliation of opening and closing balances of benefit obligations		
Change in benefit obligation		
Defined benefit obligation at the beginning of the year*	305.21	225.77
Interest cost	23.35	17.41
Current service cost	102.87	85.88
Benefits paid	(91.01)	(33.75)
Actuarial loss	(1.76)	9.90
Defined benefit obligation at the end of the year	<u>338.66</u>	<u>305.21</u>

The average duration of remaining working life at the end of the reporting period is 17.05 years (Previous year 17.41 years)

* For opening as on 1st April, 2018 transfer pursuant to Scheme of arrangement (Refer note 47)

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Note 40 - Segment Information

The Company operates in a single segment i.e. Building Products, therefore segment reporting is applicable

Note 41 - Earnings per share

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit / (loss) for the year attributable to owners of the Company (₹ in lakh)	4,033.44	7,377.60
Weighted average number of equity shares (nos.)	500,000	500,000
Nominal value per share (₹)	2.00	2.00
Earnings per share - basic and diluted (₹)	806.69	1,475.52

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

Note - 42 Contingent liabilities not provided for in respect of:

(₹ in lakh)

Particulars	As at 31 March 2020	As at 31 March 2019
a) Demands made by the sales tax authorities against which appeals have been filed	553.94	610.77
b) Claims against the Company not acknowledged as debts	55.16	-

Note - 43 Capital and other commitments

(₹ in lakh)

Particulars	As at 31 March 2020	As at 31 March 2019
a) Commitments relating to contracts remaining to be executed on capital account and other commitments not provided for	173.87	171.33

Note - 44 Payment to statutory auditors (excluding goods and service tax)

(₹ in lakh)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
As auditors	8.00	0.40
For taxation matters	2.00	-
Other services	3.25	-
For reimbursement of expenses	-	-
	13.25	0.40

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Note 45 - Related party transactions

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

List of related parties**Relationship**

Key management personnel (KMP)

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

Mr. Sandip Somany (Chairman & Managing Director)

Executives / Key Managerial Personnel

Mr. Sandeep Sikka (CFO) (With effect from 10th February 2020)

Ms Payal M Puri (CS) (With effect from 10th February 2020)

Non-executive directors

Mr. G.L. Sultania

Mr. Ashok Jaipuria (w.e.f. 12-Nov-19)

Mr. Salil Bhandari (w.e.f. 12-Nov-19)

Dr. Rainer Siegfried Simon (w.e.f. 12-Nov-19)

Mr. N.K. Goenka

Ms. Alpana Parida (w.e.f. 27-Mar-20)

Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company

Textool Mercantile Private Limited

Holding company

Somany Home Innovation Limited

Subsidiaries

Halis International Limited, Mauritius

Alchemy International Cooperatief U.A. (subsidiary of Halis International Limited)

Haas International B.V. (subsidiary of Alchemy International Cooperatief U.A.)

Queco Bathroom Innovations Limited, UK (subsidiary of Haas International B.V.)

Fellow Subsidiaries

Hintastica private limited (Subsidiary of Somany Home Innovation Limited)

(Incorporated on 14-nov-2019)

Post employment benefit plan

Somany Provident Fund Institution

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

Particulars	Holding/Subsidiary/fellow subsidiary		(₹ in lakh)	
			Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company	
Transactions during the year	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Investment made				
-Equity component in redeemable preference shares of Halis International Limited	-	64.36	-	-
Received for Management support services				
Somany Home Innovation Limited	15.72	529.68	-	-
Rent paid				
Somany Home Innovation Limited	8.40	-	-	-
Textool Mercantile Private Limited	-	-	1.12	-
Rent received				
Hintastica Private limited	0.50	-	-	-
Common expenses received from				
Somany Home Innovation Limited	-	26.57	-	-
Contribution made				
Somany provident fund institution	-	-	78.90	-
Balances outstanding as at the end of the year- Receivable				
Somany Home Innovation Limited	651.78	556.25	-	-
Accrued/Receivable (IIP)	0.50	-	-	-
Balances outstanding as at the end of the year-Payable				
Textool Mercantile Private Limited	-	-	0.21	-



Note 45 - Related party transactions (Contd.)

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:

Particulars	(₹ in lakh)	
	Key management personnel and their relatives	
	31 March 2020	31 March 2019
Transactions during the year		
Remuneration of key management personnel		
Mr. Sandip Somany	140.63	-
Mr. Sandeep Sikka	28.00	-
Commission and other payments to non executive directors	60.44	-
Remuneration payable		
Mr. Sandip Somany	12.42	-
Mr. Sandeep Sikka	9.18	-
Commission and other payments to non executive directors	59.94	-

Particulars	(₹ in lakh)	
	Year ended 31 March 2020	Year ended 31 March 2019
Short-term employee benefits #	214.73	-
Post-employment benefits		
- Defined contribution plan S	14.34	-
- Defined benefit plan *	-	-
- Other long-term benefits *	-	-
Rent paid	-	-
Total	229.07	-

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

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

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

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:

Particulars	(₹ in lakh)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Nature of transaction		
1. Purchase of Sanitaryware, faucet, pipe and other products	58,928.52	56,042.27
2. Management support services received	115.00	209.00
3. Management support services provided	1,977.74	899.00
4. Rent paid	745.31	893.00
5. Reimbursement of expenses received	0.87	104.00

Balances outstanding as at the end of the year

Payable outstanding	735.58	13.46
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Brilloca Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

Note 46 Adoption of Ind AS 116 Leases

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the company recorded the lease liability at the present value of the future lease payments discounted at the incremental borrowing rate and the right of use asset at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2020.

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020

(₹ in lakh)	
Particulars	Amount
Current lease liabilities	417.78
Non current lease liabilities	2,432.41
Total	2,850.19

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

Particulars	Amount
Balance at the beginning	-
Addition	3,205.79
Finance cost accrued during the period	224.99
Deletions	-
Payment of lease liabilities	580.59
Balance at the end	2,850.19

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	Amount
Less than one year	626.38
One to five years	2,252.96
More than five years	798.67
Total	3,678.01

Rental expense recorded for short-term leases was ₹ 963.14 lakh for the year ended March 31, 2020

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Brilloca Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

No. : 47 Scheme of arrangement:

(a) The Board of Directors of the Brilloca Limited ("Company") in its meeting held on 10th November 2017 had approved a Composite Scheme of Arrangement (the "Scheme") under section 230 to 232, read with section 66 and other applicable provisions of the Companies Act 2013 and the provisions of other applicable laws, amongst the Company ("Brilloca Limited"), Somany Home Innovation Limited (SHIL) (100% holding company of the Company) and HSIL Limited and their respective shareholders and creditors. The Scheme provided for the demerger of, (i) the Consumer Products Distribution and Marketing Undertaking ("CPDM Undertaking") and Retail Undertaking of the HSIL Limited into SHIL, and (ii) the Building Products Distribution and Marketing Undertaking ("BPDM Undertaking") of HSIL Limited into Brilloca Limited. The Scheme was approved by the Hon'ble Kolkata Bench of National Company Law Tribunal vide its order dated 26th June 2019, certified copy of the order dated 22nd July 2019 was filed with Registrar of Companies, West Bengal on 5th August 2019 and accordingly the Scheme came into effect. The Scheme was effective from the Appointed Date i.e. 1st April, 2018. The Ind AS financial statements of the Company for the year ended 31st March, 2019 were approved by shareholders in its Annual General Meeting held on 2nd September 2019 and subsequently to give effect of the Scheme, the comparative financial statements for the year ended 31st March, 2019 have been restated. The effects of the Scheme has been incorporated in this restated Financial statements for the year ended 31st March 2019.

The restated financials statements are to be approved by shareholders in the ensuing annual general meeting.

(b) As stated above, the aforesaid Scheme of the Company was with HSIL Limited, 100% holding company of SHIL (pre Scheme) and SHIL holds 100% shares in the Company. To give effect of the Scheme from Appointed Date i.e. 1st April 2018 and pursuant to the requirements of Ind AS 103 "Business Combination", the Company has accounted this Business Combination involving entities under common control using the pooling of interest method in the financial results, for prior period i.e. with effect from 1st April 2018 as per Ind AS -103.

(c) The necessary steps and formalities in respect of completion of transfers of properties, licences, approvals and investments in favour of Brilloca Limited pursuant to the Scheme are under process.

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(d) Pursuant to the Scheme, the following assets and liabilities were taken over by the Company as on 1st April, 2018 (Appointed date)

Balance Sheet as at 1st April, 2018

(₹ in lakh)

Particulars	As at 1st April 2018
ASSETS	
Non-current assets	
(a) Property, plant and equipment	3,045.14
(b) Capital work-in-progress	3,381.55
(c) Goodwill	-
(d) Other intangible assets	160.30
(e) Financial assets	
(i) Investments *	40.20
(ii) Loans	158.57
(iii) Other financial assets	-
(f) Income-tax assets (net)	-
(g) Other non-current assets	899.58
Total non-current assets	7,685.35
Current assets	
(a) Inventories	18,782.88
(b) Financial assets	
(i) Investments	-
(ii) Trade receivables	20,842.61
(iii) Cash and cash equivalents	5,425.21
(iv) Bank balances other than (iii) above	-
(v) Loans	-
(vi) Other financial assets	-
(c) Other current assets	2,852.70
Total current assets	47,903.40
Total assets	55,588.75
EQUITY AND LIABILITIES	
Equity	
(a) Equity share capital	
(b) Share Suspense	
(c) Other equity	10,169.23
Total equity	10,169.23
Liabilities	
Non-current liabilities	
(a) Financial liabilities	
(i) Borrowings	3,500.00
(ii) Other financial liabilities	2,924.19
(b) Provisions	403.28
(c) Deferred tax liabilities (net)	(418.05)
(d) Other non-current liabilities	74.29
Total non-current liabilities	6,483.71
Current liabilities	
(a) Financial liabilities	
(i) Borrowings	25,648.30
(ii) Trade payables	4,235.18
(iii) Other financial liabilities	8,511.60
(b) Other current liabilities	364.55
(c) Provisions	176.18
Total current liabilities	38,935.81
Total liabilities	45,419.52
Total equity and liabilities	55,588.75

* Investments represent investment in wholly owned subsidiaries transferred pursuant to scheme of arrangement.

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Brilloca Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

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 - Financial instrument by category

Particulars	31 March 2020			31 March 2019		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Non current financial assets						
Investments	-	-	75.34	-	-	75.34
Loans	-	-	318.14	-	-	245.12
Other financial assets	-	-	-	-	-	-
Current financial assets						
Investments	-	8.31	-	-	8.23	-
Trade receivable	-	-	24,238.46	-	-	26,858.65
Cash and cash equivalents	-	-	174.29	-	-	1,243.35
Bank balances other than cash and cash equivalents	-	-	-	-	-	-
Other financial assets	-	-	1,560.23	-	-	10,324.43
Total financial assets	-	8.31	26,366.46	-	8.23	38,746.89
Net Current financial liabilities						
Non-current borrowings	-	-	3,331.96	-	-	3,500.00
Other financial liabilities	-	-	5,229.79	-	-	2,629.80
Current financial liabilities						
Current borrowings	-	-	15,545.82	-	-	14,898.25
Trade payables	-	-	4,624.20	-	-	13,545.12
Other financial liabilities	-	-	10,939.74	-	-	9,865.16
Total financial liabilities	-	-	39,671.51	-	-	44,438.33

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Brilloc Limited

Significant accounting policies and other explanatory information to the Standalone financial statements as at and for the year ended 31 March 2020

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

(₹ in lakh)

Particulars	Halis International Limited, Mauritius (Wholly owned subsidiary)	Halis International Limited, Mauritius (Wholly owned subsidiary)
	As at 31 March 2020	As at 31 March 2019
<u>Guarantee</u>		
Guarantees given as at the beginning of the financial year	-	-
Guarantees given during the financial year	-	-
Guarantee closed during the year	-	-
Guarantees given as at the end of the financial year	-	-
<u>Investments</u>		
Investments at the beginning of the financial year	75.22	-
Transfer under the Scheme of arrangement (Refer note 47)	-	40.08
Additions during the financial year	-	64.37
Provision for diminution in the value of during the year	-	(29.23)
Investment at the end of the financial year	75.22	75.22
<u>Loans and advances</u>		
Loans at the beginning of the financial year	-	-
Additions during the financial year	-	-
Return back during the year	-	-
Loans at the end of the financial year	-	-



Brilloca Limited

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

Note 51 - Impact of Covid-19

The outbreak of COVID-19 Pandemic has caused global widespread economic disruptions leaving uncertainties with respect to severity & its impact on businesses, which currently cannot be reasonably ascertained. The Company has up to the date of approval of financial statements, evaluated and factored in to the extent possible likely material events & circumstances arising from COVID-19 pandemic and their impact on carrying value of its Assets & Liabilities as at 31st March 2020. Based on current indicators of future economic conditions, the Company expects to recover carrying amount of its Assets as on 31st March 2020. The impact of any future events & developments emerging out of COVID-19 Pandemic, if any, and occurring after the balance sheet date and relating to the Assets & Liabilities of the Company as on 31st March 2020 will be recognized prospectively. Considering current market scenario and company's quality product portfolio, brand image, long-standing relationships & goodwill with its customers, suppliers and other stakeholders, Company expects that the business operations, cash flows, future revenue, assets and liabilities will sustain going forward in long term.

Note 52 - GST Note

The annual return of GST for FY 2018-19 is under process of filing with statutory authorities. The management believes that there will not be any material impact over financial statements after financial submission/filing.

Note 53 :- Gratuity valuation

Gratuity liability as on 31st march ,2020 has been provided based on the actuarial valuation however pending final allocation of fund assets among transferor and resulting companies i.e. Somany home innovation Limited and Brilloca has been done on the basis of estimates as per the management of the Company and transferor Company (HSIL).

Note 54 :- Dividend

The Board had declared an interim dividend of ₹ 500 per equity share of face value ₹ 2 each for financial year 2019-20 in the Board of Directors meeting held on 10th February which was paid. No final dividend is proposed by the Board.

Note 55 - Previous period figures have been regrouped /re-arranged wherever considered necessary to confirm to the current year's classification.

In terms of our report attached.

For Lodha & Co

Chartered Accountants

Firm Registration No.301051E



N.K. Lodha

Partner

M. No. 85155

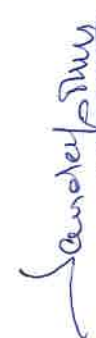
Place: New Delhi
Date : 22nd June 2020

For and on behalf of the Board of Directors


G.L. Somani
Director
DIN: 00060931


Sandeep Somani
Vice Chairman and Managing Director
DIN: 00053597


Payal M. Puri
Company Secretary
ACS No: 16068


Sandeep Sikka
Chief Financial Officer

