

**INDEPENDENT AUDITOR'S REPORT
To the Members of Hintastica Private Limited**

Report on Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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



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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

we have nothing to report in this regard.

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

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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



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

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

Report on Other Legal and Regulatory Requirements

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



"Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 40 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented that to the best of its knowledge & belief as disclosed in the notes to accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above as required by Rule 11(e) of Companies (Audit & Auditors) Rules, 2014, as amended, contain any material mis-statement.
- V. The Company has not declared or paid dividend during the year, accordingly the provisions of section 123 of the Companies Act, 2013 are not applicable.



h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration has not been paid/provided by the Company to its directors during the year, hence reporting under this clause is not applicable.

For LODHA & CO.

Chartered Accountants

Firm's Registration No.301051E



Shyamal Kumar

Partner

Membership No. 509325

UDIN : 22509325AJEGKV2525



Place: New Delhi

Date: 16th May 2022

Annexure – A to the Auditors’ Report

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

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

(Amount in ₹ lakh)

| Description of property | As at Balance Sheet Date | Held in name of | Held in name of | Whether promoter, director or their relative or employee | Period held | Reason for not being held in name of Company |
|-------------------------|--------------------------|--|--|--|----------------------------|--|
| | Gross Carrying Value | Carrying Value in the financial statements | | | | |
| Freehold land | 650.30 | 650.30 | Telangana State Industrial Infrastructure Corporation Ltd. | No | 9 th March 2021 | As per sale agreement registry shall be done in favour of the company after commencement of production |



- (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- (e) According to the information and explanations given to us and records provided, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories at certain location were physically verified at the year end by the management. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. Discrepancies noticed were not of 10% or more in the aggregate for each class of inventories on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns / statements filed by the Company with such banks are generally in agreement with the books of account of the Company of the respective quarters.
- (iii) (a) According to the information and explanations made available to us, the company has not provided guarantee or security, and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. However, the company has made investment in mutual fund units amounting to Rs. 7972.10 Lacs during the year. (Balance as at 31st, March 2022 of Rs. 2,798.59 lacs)
- (b) The investments made during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) The Company does not have any loans or advances in the nature of loans outstanding at the beginning as well as end of the year, hence reporting under clause (iii)(c), (iii)(d) & (iii)(e) are not applicable.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3 (iii)(f) is not applicable.
- (iv) According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans granted, investments made and guarantees and securities provided if any, the Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits or amounts which are deemed to deposits. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.



- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act, for the business carried out by the Company. Hence reporting under clause 3(vi) of the order is not applicable.
- (vii) (a) According to the records of the company, the company is generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues with the appropriate authorities to the extent applicable and there were no undisputed amounts dues is in arrears as at 31st March 2022 for a period of more than six months from the date they become payable except Punjab state development tax of Rs. 0.04 Lacs (since has been deposited).
- (b) According to the records and information & explanations given to us, there are no dues in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess, that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix)(a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the records and information and explanation made available to us, the Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) According to the records and information and explanation made available to us, the Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(f) of the Order is not applicable.
- (x)(a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).during the year and hence reporting under clause (x)(a) of the Order is not applicable.



- (b) During the year the Company has made private placement of shares. The Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, prima facie, used by the Company during the year for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.
- (xi)(a) 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 year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) The company is not required to established vigil mechanism under section 177 of the act, hence reporting under this clause is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations and records made available by the management of the Company and audit procedures performed, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- (xiv) The requirement of internal audit system under section 138 of the Companies Act 2013 is not applicable to the company, hence we are not offering comment under this clause.
- (xv) On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and hence reporting under clause 3 (xvi)(a), (b) and (c) of the Order is not applicable. As per the information and representation provided by the management, the group does not have any Core Investment Company(CIC) within the group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016).
- (xvii) The Company has incurred cash losses of Rs. 609.26 lacs during the financial year covered by our audit and Rs. 314.96 Lacs also in the immediately preceding financial year.



- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities (as per the payment schedule), other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company and/or certificate with respect to meeting financial obligations by the Company as and when they fall due. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.
- (xxi) The Company is not required to prepare Consolidated Financial Statements and accordingly reporting under clause 3(xxi) of the Order is not applicable.

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



Shyamal Kumar
Partner
Membership No. 509325
Place: New Delhi
Dated: 16th May 2022



ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **LODHA & CO.**

Chartered Accountants

FRN: 301051E



Shyamal Kumar

Partner

Membership No. 509325

Place: New Delhi

Dated: 16th May 2022



Hintastica Private Limited
Balance Sheet as at 31 March 2022

(₹ in lakh)

| Particulars | Note | As at 31 March 2022 | As at 31 March 2021 |
|---|------|------------------------|------------------------|
| ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Property, plant and equipment | 4a | 435.53 | 318.57 |
| (b) Capital work-in-progress | 4b | 3,466.07 | 867.00 |
| (c) Goodwill | 5 | 3,474.70 | 3,474.70 |
| (d) Other intangible assets | 4c | 1.26 | - |
| (e) Non current tax assets (net) | 6 | 6.32 | 0.19 |
| (f) Deferred-tax assets (net) | 24 | 139.71 | 53.49 |
| (g) Other non-current assets | 7 | 1,142.53 | - |
| Total non-current assets | | 8,666.12 | 4,713.95 |
| 2 Current assets | | | |
| (a) Inventories | 8 | 1,989.68 | 1,344.26 |
| (b) Financial assets | | | |
| (i) Investments | 9 | 2,798.59 | - |
| (ii) Trade receivables | 10 | 3,061.64 | 472.01 |
| (iii) Cash and cash equivalents | 11 | 259.87 | - |
| (c) Other current assets | 12 | 783.22 | 50.65 |
| Total current assets | | 8,893.00 | 1,866.92 |
| Total assets | | 17,559.12 | 6,580.87 |
| EQUITY AND LIABILITIES | | | |
| 1 Equity | | | |
| (a) Equity share capital | 13 | 58.26 | 20.00 |
| (b) Other equity | 14 | 10,696.40 | (271.87) |
| Total equity | | 10,754.66 | (251.87) |
| 2 Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 15 | 2,782.73 | - |
| (i) Other financial liabilities | 16 | 33.05 | 11.40 |
| (b) Provisions | 17 | 36.44 | 21.48 |
| (c) Other non current liabilities | 18 | 11.11 | 0.10 |
| Total non-current liabilities | | 2,863.33 | 32.98 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 19 | - | 669.82 |
| (ii) Trade payables | 20 | | |
| - due to micro and small enterprises | | 1,567.86 | 262.53 |
| - due to other than micro and small enterprises | | 685.04 | 195.64 |
| (iii) Other financial liabilities | 21 | 1,571.48 | 5,643.32 |
| (b) Other current liabilities | 22 | 110.43 | 27.77 |
| (c) Provisions | 23 | 6.32 | 0.68 |
| Total current liabilities | | 3,941.13 | 6,799.76 |
| Total liabilities | | 6,804.46 | 6,832.74 |
| Total equity and liabilities | | 17,559.12 | 6,580.87 |



The accompanying notes form an integral part of the financial statements
In terms of our report attached.

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



Shyamal Kumar
Partner
M. No. 509325



Place : New Delhi
Date : 16th May 2022

For and on behalf of the Board of Directors



Sandip Somany
Director
DIN: 00053597



Rakesh Kaul
Director
DIN: 08560772

Place : Gurugram
Date : 16th May 2022



Hintastica Private Limited
Statement of Profit and Loss for the year ended 31 March 2022

(₹ in lakh)

| Particulars | Note | Year Ended 31 March 2022 | Year Ended 31 March 2021 |
|---|------|-----------------------------|-----------------------------|
| I Revenue from operations | 25 | 8,289.18 | 458.19 |
| II Other income | 26 | 54.70 | 0.09 |
| III Total Income | | 8,343.88 | 458.28 |
| IV Expenses | | | |
| Cost of material consumed | 27 | - | - |
| Purchases of stock-in-trade | 28 | 6,238.33 | 310.66 |
| • Changes in inventories of stock-in-trade | 29 | (256.38) | 103.93 |
| Employee benefit expense | 30 | 530.19 | 146.80 |
| Finance costs | 31 | 162.61 | 2.33 |
| Depreciation and amortisation expense | 32 | 69.30 | 9.38 |
| Other expense | 33 | 2,271.57 | 209.52 |
| Total expenses | | 9,015.62 | 782.62 |
| V Profit / (Loss) before tax | | (671.74) | (324.34) |
| VI Tax expense | | | |
| (i) Current tax | | - | - |
| (ii) Deferred tax | 35 | (86.11) | (53.69) |
| Total tax expense | | (86.11) | (53.69) |
| VII Profit / (Loss) for the period/ year | | (585.63) | (270.65) |
| VIII Other comprehensive income | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| (a) Remeasurement of defined benefit plan | | (0.73) | 1.29 |
| (ii) Income tax relating to these items | | 0.11 | (0.20) |
| Other comprehensive income (net of tax) | | (0.62) | 1.09 |
| IX Total comprehensive income for the year | | (586.25) | (269.56) |
| Earning per equity share (of Rs. 10/- each): | | | |
| Basic and diluted | 34 | (118.70) | (135.33) |



The accompanying notes form an integral part of the financial statements
In terms of our report attached.

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



Shyamal Kumar
Partner
M. No. 509325



Place : New Delhi
Date : 16th May 2022

For and on behalf of the Board of Directors



Sandip Somany
Director
DIN: 00053597



Rakesh Kaul
Director
DIN: 08560772

Place : Gurugram
Date : 16th May 2022



Hintastica Private Limited
Statement of Cash Flows for the year ended 31 March 2022

(₹ in lakh)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| A. Cash flow from Operating activities | | |
| Profit/ (Loss) before tax | (671.74) | (324.34) |
| Adjustments: | | |
| Depreciation and amortisation expense | 69.30 | 9.38 |
| Finance costs | 162.61 | 2.33 |
| Fair value gain on financial instruments designated as FVTPL | (6.82) | - |
| Excess provision written back | (1.71) | (0.09) |
| Profit on sale of Mutual fund | (29.77) | - |
| Interest income on financial assets | (18.11) | - |
| Provision for Expected credit loss | 5.34 | - |
| Operating loss before working capital changes | (490.90) | (312.72) |
| Changes in working capital: | | |
| Decrease/ (Increase) in trade and other receivables | (2,594.96) | (472.01) |
| Decrease/ (Increase) in current assets | (736.24) | (50.57) |
| Decrease/ (Increase) in inventories | (645.43) | 78.14 |
| Increase/ (decrease) in trade and other payables | 3,217.15 | 738.26 |
| Increase/ (decrease) in provision | 19.87 | 23.53 |
| Cash generated from / (used in) operations | (1,230.51) | 4.63 |
| Income tax paid (net) | (6.13) | (0.19) |
| Net cash generated from / (used in) operating activities | (1,236.64) | 4.44 |
| B. Cash flow from Investing activities | | |
| Payment for acquisition of water heater business | (5,220.48) | - |
| Purchase of property, plant & equipment and CWIP | (4,076.82) | (692.42) |
| Investment in Mutual Fund | (7,972.10) | - |
| Redemption of Mutual Fund | 5,210.10 | - |
| Interest received on Fixed deposit | 18.12 | - |
| Net cash flow investing activities | (12,041.18) | (692.42) |
| C. Cash flow from Financing activities | | |
| Movement in short term borrowings (net) | (669.82) | 669.82 |
| Proceeds from Borrowings | 2,782.73 | - |
| Proceeds from issue of equity shares | 11,592.78 | - |
| Interest paid on borrowing | (168.00) | (1.60) |
| Net cash flow financing activities | 13,537.69 | 668.22 |
| Net Increase / (decrease) in cash and cash equivalent (A+B+C) | 259.87 | (19.76) |
| Cash and cash equivalent at the beginning of the year | - | 19.76 |
| Cash and cash equivalent at the end of the year | 259.87 | 0.00 |

The movement in liabilities from financing activities:

| | As at 31st March, 2021 | Cashflows | Foreign Exchange | Others | As at 31st March, 2022 |
|--|---------------------------|-----------------|------------------|----------|---------------------------|
| Long term borrowings | - | 2,782.73 | - | - | 2,782.73 |
| Short term borrowings | 669.82 | (669.82) | - | - | - |
| Total liabilities from financing activities | 669.82 | 2,112.91 | - | - | 2,782.73 |

The movement in liabilities from financing activities:

| | As at 31st March, 2020 | Cashflows | Foreign Exchange | Others | As at 31st March, 2021 |
|--|---------------------------|---------------|------------------|----------|---------------------------|
| Long term borrowings | - | - | - | - | - |
| Short term borrowings | - | 669.82 | - | - | 669.82 |
| Total liabilities from financing activities | - | 669.82 | - | - | 669.82 |

Notes :

1. Previous year's figures have been re-grouped/ re-arranged wherever necessary.
2. The Cash flow statement has been prepared under the Indirect method as set out in Indian Accounting Standard (Ind As 7) statement of Cash flows.



The accompanying notes form an integral part of the financial statements
In terms of our report attached.

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



Shyamal Kumar
Partner
M. No. 509325

Place : New Delhi
Date : 16th May 2022



For and on behalf of the Board of Directors



Sandip Somany
Director
DIN: 00053597



Rakesh Kaul
Director
DIN: 08560772

Place : Gurugram
Date : 16th May 2022



Hintastica Private Limited
Statement of Changes In Equity for the year ended 31 March 2022

| a. Equity share capital | | (₹ in lakh) | |
|--|----------------|--------------|--|
| Particulars | No. of shares | Amount | |
| Issued and Paid up capital | | | |
| Balance as at 1 April 2020 | 200,000 | 20.00 | |
| Changes in Equity Share Capital during the year | - | - | |
| Balance as at 31 March 2021 | 200,000 | 20.00 | |
| Changes in Equity Share Capital during the year* | 382,600 | 38.26 | |
| Balance as at 31 March 2022 | 582,600 | 58.26 | |

* Refer note no. 49 & 51

| b. Other equity | | (₹ in lakh) | | |
|--|----------------------|-------------------|---------------------------------------|------------------|
| Particulars | Reserves and surplus | | | Total |
| | Security premium | Retained earnings | Remeasurement of defined benefit plan | |
| Balance as at 31 March 2020 | - | (2.31) | - | (2.31) |
| Profit / (Loss) for the year | - | (270.65) | - | (270.65) |
| Other comprehensive income for the year (net of tax) | - | - | 1.09 | 1.09 |
| Balance as at 31 March 2021 | - | (272.96) | 1.09 | (271.87) |
| Profit / (Loss) for the year | - | (585.63) | - | (585.63) |
| Other comprehensive income for the year (net of tax) | - | - | (0.62) | (0.62) |
| Total comprehensive income for the year | - | (585.63) | (0.62) | (586.25) |
| Addition during the year* | 11,554.52 | - | - | 11,554.52 |
| Balance as at 31 March 2022 | 11,554.52 | (858.59) | 0.47 | 10,696.40 |

* Refer note no. 49 & 51



The accompanying notes form an integral part of the financial statements
In terms of our report attached.

For Lodha & Co

Chartered Accountants
Firm Registration No.: 301051E



Shyamal Kumar
Partner
M. No. 509325



Place : New Delhi
Date : 16th May 2022

For and on behalf of the Board of Directors



Sandip Somany
Director
DIN: 00053597



Rakesh Kaul
Director
DIN: 08560772

Place : Gurugram
Date : 16th May 2022



1. Corporate information

Hintastica Private Limited (the 'Company') is a private limited company incorporated in India on November 14, 2019 under the Companies Act, 2013. The registered office of the Company is located in Kolkata. The Company is engaged into the business of import, export, produce, buy, sell, process, manufacture, assemble and deal in all kinds of water heaters, electrical equipment and appliances. The Company is Jointly Control entity of Somany Home Innovation Limited and Atlantic Societe Francaise De Development Thermique Business.

The financial statements were approved and authorized for issue in accordance with the resolution of the Company's Board of Directors on 16th May 2022.

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

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

2.1 Recent accounting pronouncements

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

i. **Ind AS 103 – Reference to Conceptual Framework**

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

ii. **Ind AS 16 – Proceeds before intended use**

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

iii. **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

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



iv. Ind AS 109 – Annual Improvements to Ind AS (2021)

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

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

2.2 Changes and revision in Schedule III

MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. The Financial statements have been prepared as per revised schedule -III and previous year figures have been regrouped/ reclassified.

3. Significant accounting policies and other explanatory information

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

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

3.2 Historical cost convention

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

3.3 Business combinations

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

3.4 Goodwill

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



3.5 Revenue recognition

Sales of goods

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

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

Sale of products:

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

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

Rendering of services:

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

Interest and dividends

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

3.6 Leases

- (a) 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



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

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

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets.

For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

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

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of the lessee. 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.

- (b) Depreciation on Right-of-use asset have been provided using straight line method over their useful lives or lease period, whichever is lower. Interest expense of lease liabilities are provided using discount rate used to determine lease liabilities. Depreciation and Interest expenses are recognised in the Statement of Profit and Loss.
- (c) For short term lease and leases for which, the underlying asset value is low, right-of-use assets and lease liabilities are not recognised. The lease payments associated with these leases are recognised as expense over the lease term.
- (d) The Company, as a lessor, recognises lease payments from operating leases as income on straight-line basis over the lease term. The Company has recognised costs, including depreciation, incurred in earning the lease income as an expense.



3.7 Foreign currency transactions and translations

Initial recognition

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

Measurement at the balance sheet date

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

Treatment of exchange difference

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

3.8 Borrowing costs

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

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

3.9 Employee benefits

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

Defined contribution plans

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



Defined benefit plans

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

Short-term employee benefits

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

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

Long-term employee benefits

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

3.10 Taxation

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

Current tax

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



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

Deferred tax

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

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

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

3.11 Operating cycle

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

3.12 Operating expenses

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

3.13 (a) Property, plant and equipment

Freehold land is carried at historical cost. All other items of Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

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

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

When significant parts of property, plant and equipment are required to be replaced at 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



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

earlier. All other repair and maintenance costs are recognised in the statement of profit and loss as and when incurred.

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

(b) Intangible assets

Intangible Assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. All other expenditure is expensed as incurred. The same are amortised over the expected duration of benefits. Such intangible assets are measured at cost less any accumulated amortisation and impairment losses, if any and are amortised over their respective individual estimated useful life on straight line method. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

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

(c) Capital work-in-progress

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

3.14 Depreciation and amortisation

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

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

| Asset class | Useful life |
|--------------------------------------|-------------|
| Property, plant and equipment | |
| Plant and machinery | 3-10 years* |
| Computer | 3-6 years |
| Vehicles | 8 years** |
| Office Equipment | 2 years |
| Intangible Assets | |
| Software | 3 years |

* Moulds are included in plant and machinery, are depreciated over a life of 10 years, which is different from life prescribed in Schedule II of the Act, based on independent chartered engineer certificate.



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

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

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, (net of tax credits where applicable) costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

3.19 Provisions and contingencies

A provision is recognised in the 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



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

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 financial statements.

3.20 Equity, reserves and dividend payments

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

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

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

3.21 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 year 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 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



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

- 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 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 43 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:



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

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

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

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

II. Financial liabilities

a. Initial recognition and subsequent measurement

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

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

III. Fair value of financial instruments

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

IV. Offsetting of financial instruments

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



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

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. Further details of derivative financial instruments are disclosed in Note 43.

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 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 financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Estimation of defined benefit obligation

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

(ii) Estimation of current tax and deferred tax

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



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

(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.

(vi) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management



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

Note 4(a) : Property, plant and equipment

(₹ in lakh)

| | Description of assets | Plant and equipment | Office equipment | Vehicle | Computers | Total |
|------------|--|---------------------|------------------|---------|-----------|--------|
| I. | Gross Block | | | | | |
| | Opening balance as at 31 March 2020 | - | - | - | - | - |
| | Additions on account of business acquisition (refer note 53) | 322.08 | - | - | 5.87 | 327.95 |
| | Disposal/Adjustments | - | - | - | - | - |
| | Balance as at 31 March 2021 | 322.08 | - | - | 5.87 | 327.95 |
| | Additions | 158.75 | 0.25 | 16.49 | 10.46 | 185.95 |
| | Balance as at 31 March 2022 | 480.83 | 0.25 | 16.49 | 16.33 | 513.90 |
| II. | Accumulated depreciation and amortisation | | | | | |
| | Opening balance as at 31 March 2020 | - | - | - | - | - |
| | Depreciation and amortisation charge for the year | 8.87 | - | - | 0.51 | 9.38 |
| | Balance as at 31 March 2021 | 8.87 | - | - | 0.51 | 9.38 |
| | Depreciation and amortisation charge for the year | 66.49 | 0.06 | 0.24 | 2.20 | 68.99 |
| | Balance as at 31 March 2022 | 75.36 | 0.06 | 0.24 | 2.71 | 78.37 |
| | Net Block (I-II) | | | | | |
| | Balance as at 31 March 2022 | 405.47 | 0.19 | 16.25 | 13.62 | 435.53 |
| | Balance as at 31 March 2021 | 313.21 | - | - | 5.36 | 318.57 |

Note:

1. Refer note 15 & 19 for details of property, plant and equipment hypothecated as security by the Company.
2. The Company does not have any benami property, and no proceeding has been initiated or pending against the Company for holding any benami property.



Hintastica Private Limited

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

Note 4(b)

Particulars

As at 31st March 2022 As at 31st March 2021

| | | |
|--------------------------|-----------------|---------------|
| Capital work in progress | 3,466.07 | 867.00 |
| | <u>3,466.07</u> | <u>867.00</u> |

Capital work in progress ageing schedule for the year ended 31st March 2022

(₹ in lakh)

| CWIP | for a period of | | | | Total |
|--------------------------------|------------------|-----------|-----------|-------------------|----------|
| | less than 1 Year | 1-2 years | 2-3 years | More than 3 years | |
| Project in progress | 2,599.07 | 867.00 | - | - | 3,466.07 |
| Projects temporarily suspended | | | | | - |

Capital work in progress ageing schedule for the year ended 31st March 2021

(₹ in lakh)

| CWIP | for a period of | | | | Total |
|--------------------------------|------------------|-----------|-----------|-------------------|--------|
| | less than 1 Year | 1-2 years | 2-3 years | More than 3 years | |
| Project in progress | 867.00 | | | | 867.00 |
| Projects temporarily suspended | | | | | - |

There are no capital work-in-progress where completion is overdue against original planned timelines or where estimated cost exceeded its original planned cost as on 31st March, 2022 and 31st March, 2021

The immovable property which are not held in the name of the company as on 31st March 2022 and 31st March 2021

(₹ in lakh)

| Relevant Line Item in the B/sheet | Description of item of property | Gross Carrying Value | Title deeds held in the name of | Whether title holder is a director, promoter or relative of the same | Property held since which date | Reason for not being held in name of company |
|-----------------------------------|---------------------------------|----------------------|--|--|--------------------------------|---|
| CWIP | Land | 650.30 | Telangana State Industrial Infrastructure Corporation Ltd. | NO | 12/23/2020 | As per the terms of allotment, land shall be recognised in the name of the company after the commencement of production |

Note 4 (c) : Other intangible assets

(₹ in lakh)

| | Description of assets | Software | Total |
|-----|---|----------|-------|
| I. | Gross Block | | |
| | Opening balance as at 31 March 2020 | | - |
| | Disposal/Adjustments | | - |
| | Balance as at 31 March 2021 | | - |
| | Additions | 1.57 | 1.57 |
| | Balance as at 31 March 2022 | 1.57 | 1.57 |
| II. | Accumulated depreciation and amortisation | | |
| | Opening balance as at 31 March 2020 | | - |
| | Depreciation and amortisation charge for the year | | - |
| | Balance as at 31 March 2021 | | - |
| | Depreciation and amortisation charge for the year | 0.31 | 0.31 |
| | Balance as at 31 March 2022 | 0.31 | 0.31 |
| | Net Block (I-II) | | |
| | Balance as at 31 March 2022 | 1.26 | 1.26 |
| | Balance as at 31 March 2021 | | - |



Hintastica Private Limited

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

Note 5 - Goodwill

| Particulars | (₹ in lakh) | |
|----------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Gross carrying value | 3,474.70 | 3,474.70 |

Reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period (₹ in lakh)

| Particulars | Amount |
|-----------------------------|----------|
| Balance as at 31 March 2020 | - |
| Addition during the year | 3,474.70 |
| Impairment for the year | - |
| Balance as at 31 March 2021 | 3,474.70 |
| Addition during the year | - |
| Impairment for the year | - |
| Balance as at 31 March 2022 | 3,474.70 |

Slump Purchase of Water Business Undertakings

During the FY 2020-21, the company had acquired Water Heater Business Undertaking from Somay Home Innovation Limited (erstwhile Holding Company) by way of slump purchases. Excess of purchase consideration over the net assets recognised as Goodwill of Rs. 3474.70 lakhs in the books.

The Company tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the cash generating units ("CGU") is determined from value in use calculation. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. These assumptions have been determined in light of the economic environment which has resulted in more conservative estimates about the future. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

Value in use has been determined by discounting the future cash flows generated from the continuing use of the unit. The calculation of the value in use is based on the following key assumptions :

| Particulars | As at | As at |
|-------------------------------|---------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Discount rate | 19.90% | 18.29% |
| Terminal value of growth rate | 5% | 4% |

Based on valuation report there is no indicator which suggest any impairment of Goodwill. Hence Goodwill , has been carried in books at book value.



Hintastica Private Limited

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

Note 6 - Non current tax assets (Net)

| Particulars | (₹ in lakh) | |
|--------------------------|---------------|---------------|
| | As at | As at |
| | 31 March 2022 | 31 March 2021 |
| Advance income tax (net) | 6.32 | 0.19 |
| | <u>6.32</u> | <u>0.19</u> |

Note 7 - Other non-current assets

| Particulars | (₹ in lakh) | |
|---|-----------------|---------------|
| | As at | As at |
| | 31 March 2022 | 31 March 2021 |
| (unsecured and considered good, unless stated otherwise, as considered by the management) | | |
| Capital Advance | 1,138.86 | - |
| Balances with Government Authorities* | 3.67 | - |
| | <u>1,142.53</u> | <u>-</u> |

*including amount paid /deposited against legal cases

Note 8 - Inventories

| Particulars | (₹ in lakh) | |
|---|-----------------|-----------------|
| | As at | As at |
| | 31 March 2022 | 31 March 2021 |
| (Valued at lower of cost or net realisable value) | | |
| Raw materials | 391.37 | - |
| Stock-in-trade of goods acquired for trading | 1,574.86 | 1,318.48 |
| Packing material | 19.53 | 25.78 |
| Stores & spares | 3.92 | - |
| | <u>1,989.68</u> | <u>1,344.26</u> |
| Included above, goods-in-transit | | |
| Raw materials | 321.16 | - |
| Stock-in-trade of goods acquired for trading | 7.40 | 30.08 |
| | <u>328.56</u> | <u>30.08</u> |

Note:

Refer note 15 and 19 for information on inventory hypothecated as security by the Company.

Note 9 - Current Investments

| Particulars | (₹ in lakh) | | | |
|--|---------------------|-----------------|---------------------|--------|
| | As at 31 March 2022 | | As at 31 March 2021 | |
| | Number | Amount | Number | Amount |
| Fair value through profit & loss (FVTPL) | | | | |
| I. Quoted investments (fully paid up) | | | | |
| Investments in mutual funds | | | | |
| Axis Overnight Fund Direct growth | 120,489 | 1,354.11 | - | - |
| ABSL Overnight Direct Growth | 125,641 | 1,444.48 | - | - |
| Quoted investments (I) | <u>246,130</u> | <u>2,798.59</u> | - | - |
| Total investments carried at fair value | 246,130 | 2,798.59 | - | - |

Other disclosures

| | |
|--|---------|
| Aggregate carrying value of quoted investments | 2798.59 |
| Aggregate amount of market value of quoted investments | 2798.59 |



Hintastica Private Limited

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

Note 10 - Trade receivables

| Particulars | ₹ in lakh | |
|--|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| (i) Considered good - Secured | 22.20 | 6.39 |
| (ii) Considered good - Unsecured* | 3,039.44 | 465.62 |
| (iii) Credit impaired | 5.34 | - |
| | <u>3,066.98</u> | <u>472.01</u> |
| Less: Allowance for bad & doubtful debts | 5.34 | - |
| | <u>3,061.64</u> | <u>472.01</u> |

* Including of Hindware Home Retail Private Limited of ₹ 2.88 lakh (previous year ₹ 0.24 lakh)

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

| Particulars | ₹ in lakh | |
|--|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Opening balance | - | - |
| Expected credit losses provided for during the year (Refer note- 33) | 5.34 | - |
| | <u>5.34</u> | <u>-</u> |

Ageing As at 31 March 2022

| Particulars | Outstanding for following period from due date of payment | | | | | | Total |
|--|---|--------------------|-----------------|--------------|-----------|-------------------|-----------------|
| | Not Due | Less than 6 months | 6months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 277.83 | 2,151.65 | 584.14 | 48.02 | - | - | 3,061.64 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | 5.34 | - | - | 5.34 |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| Total | 277.83 | 2,151.65 | 584.14 | 53.36 | - | - | 3,066.98 |
| Provision for doubtful debt | - | - | - | 5.34 | - | - | 5.34 |
| Net Total | 277.83 | 2,151.65 | 584.14 | 48.02 | - | - | 3,061.64 |

Ageing As at 31 March 2021

| Particulars | Outstanding for following period from due date of payment | | | | | | Total |
|--|---|--------------------|-----------------|-----------|-----------|-------------------|---------------|
| | Not Due | Less than 6 months | 6months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 144.73 | 327.28 | - | - | - | - | 472.01 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| Total | 144.73 | 327.28 | - | - | - | - | 472.01 |

Trade receivables are hypothecated against the borrowings taken by the company as referred in note 15 & 19

Note 11- Cash and cash equivalents

| Particulars | ₹ in lakh | |
|--|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Balances with banks in current account | 259.87 | - |
| | <u>259.87</u> | <u>-</u> |

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

Note 12 - Other Current Assets

| Particulars | ₹ in lakh | |
|--------------------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| (Unsecured, considered good) | | |
| Advance to Suppliers * | 251.01 | - |
| Balances with Government Authorities | 497.87 | 43.47 |
| Prepaid Expenses | 8.59 | 6.10 |
| Other current assets | 25.75 | 1.08 |
| | <u>783.22</u> | <u>50.65</u> |

*Including of advance to Atlantic ALC (HK) Limited ₹ 51.76 lakh (previous year NIL) (Refer Note No 37)



Hintastica Private Limited

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

Note 13 - Equity share capital

(₹ in lakhs)

| Particulars | As at 31 March 2022 | | As at 31 March 2021 | |
|-----------------------------------|---------------------|--------|---------------------|--------|
| | No. of shares | Amount | No. of shares | Amount |
| Authorised: | | | | |
| Equity shares of ₹ 10 each | 1,000,000 | 100.00 | 1,000,000 | 100.00 |
| Issued: | | | | |
| Equity shares of ₹ 10 each | 582,600 | 58.26 | 200,000 | 20.00 |
| Subscribed and fully paid: | | | | |
| Equity shares of ₹ 10 each | 582,600 | 58.26 | 200,000 | 20.00 |
| | 582,600 | 58.26 | 200,000 | 20.00 |

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

| Particulars | As at 31 March 2022 | | As at 31 March 2021 | |
|--|---------------------|--------|---------------------|--------|
| | No. of shares | Amount | No. of shares | Amount |
| Equity shares outstanding at the beginning of the year | 200,000 | 20.00 | 200,000 | 20.00 |
| Change in equity capital due to prior period errors | - | - | - | - |
| Add: Shares issued during the period | 382,600 | 38.26 | - | - |
| Equity shares outstanding at the end of the year | 582,600 | 58.26 | 200,000 | 20.00 |

(b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, 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 distributions of all preferential amount. The distributions will be in proportion to the number of equity shares held by the shareholders; and any other right as the Memorandum and Articles of Association of the Company may prescribe in relation to the aforesaid equity shares of the Company.

(c) List of shareholders holding more than 5% of the equity share capital of the Company at the beginning and at the end of the reporting period

| Name of the Shareholders | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---------------------------|--------------------|---------------------------|--------------------|
| | No. of Equity Shares held | % of Equity Shares | No. of Equity Shares held | % of Equity Shares |
| Somany Home Innovation Limited (Erstwhile Holding Co*) and its nominees | 291,300 | 50.00 | 200,000 | 100.00 |
| Atlantic Societe Francaise De Development Thermique Business* | 291,300 | 50.00 | - | - |

* Read with note no. 49 & 51

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

(e) Shares held by promoters as defined in Companies Act, 2013

| Shares held by promoters at 31st March 2022 | | | | | | |
|---|---|----------------------------------|------------------|----------------------------------|------------------|---|
| S No | Promoter name | No of Shares as on 31 March 2022 | %of total shares | No of Shares as on 31 March 2021 | %of total shares | %change during the year in their shareholding |
| 1 | Somany Home Innovation Limited | 291,300 | 50% | 200,000 | 100% | 50% |
| 2 | Atlantic Societe Francaise De Development Thermique | 291,300 | 50% | - | - | 100% |
| | Total | 582,600 | | 200,000 | | |
| Shares held by promoters at 31st March 2021 | | | | | | |
| S No | Promoter name | No of Shares as on 31 March 2021 | %of total shares | No of Shares as on 31 March 2020 | %of total shares | %change during the year in their shareholding |
| 1 | Somany Home Innovation Limited | 200,000 | 100% | 200,000 | 100% | 0% |
| | Total | 200,000 | | 200,000 | | |

(f) During the year the company has made right and preferential issue of equity shares. Proceed has been utilised for the purpose money was raised

14. Other equity

(₹ in lakh)

| Particulars | Reserves and surplus | | | Total |
|---|----------------------|-------------------|---------------------------------------|-----------|
| | Security premium | Retained earnings | Remeasurement of defined benefit plan | |
| Balance as at 31 March 2020 | - | (2.31) | - | (2.31) |
| Profit / (Loss) for the period | - | (270.65) | - | (270.65) |
| Other comprehensive income for the period (net of income tax) | - | - | 1.09 | 1.09 |
| Balance as at 31 March 2021 | - | (272.96) | 1.09 | (271.87) |
| Profit / (Loss) for the period | - | (585.63) | - | (585.63) |
| Other comprehensive income for the year (net of tax) | - | - | (0.62) | (0.62) |
| Addition during the year* | 11,554.52 | - | - | 11,554.52 |
| Total comprehensive income for the period | 11,554.52 | (585.63) | (0.62) | 10,968.27 |
| Balance as at 31 March 2022 | 11,554.52 | (858.59) | 0.47 | 10,696.40 |

Nature of reserve

- a) Retained earnings - The balance consists of surplus / (deficit) retained from earned profit / (loss) after payment of dividend and taxes there on.
b) Security Premium is used to record the premium on issue of shares; Th same is utilised in accordance with provision of the Act.



Note 15 - Non current liabilities - Borrowings

| Particulars | (₹ in lakh) | | | | |
|--|------------------------|------------------------|---------------------|---|---|
| | As at 31 March 2022 | As at 31 March 2021 | | | |
| Measured at amortised cost | | | | | |
| Secured: | | | | | |
| Term loans from banks | 2,782.73 | - | | | |
| | 2,782.73 | - | | | |
| Terms and conditions of outstanding borrowings are as follows: | | | | | |
| Particulars | Currency | Year of maturity | Rate of Interest | Carrying amount as at 31 March 2022 | Carrying amount as at 31 March 2021 |
| Secured loan from bank - rupee loans | ₹ | 2029-30 | 3M T-Bill + 347 bps | 2,782.73 | - |

Note:

- (i) Term Loan Is secured by hypothecation of all stocks and book debts, present and future, of the Company
(ii) The said facility is also secured by way of 1st pari passu charge on the Movable fixed assets of the company both present and future.
(iii) The said facility is also further secured by way Corporate Gurantee from M/s Somany Home Innovation Ltd. to cover 50% exposure and SBLC from M/S Group Atlantic to cover the balance 50% exposure, which is pending for acceptance by the bank.
(iv) Term loan from bank aggregating to ₹ 2,782.73 lakh (previous year ₹ Nil) is repayable in 24 quarterly instalments from June 2024 to March 2030.
(v)The company has utilised the borrowings received from banks for which it was taken during the year.
(vi)The company have not been declared willful defaulter by any Banks or any other Financial Institution at any time during the financial year.

Note 16 - Non current liabilities - Other Financial liabilities

| Particulars | (₹ in lakh) | |
|----------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Trade deposits | 33.05 | 11.40 |
| | 33.05 | 11.40 |

Note 17 - Non current liabilities - Provisions

| Particulars | (₹ in lakh) | |
|--|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Provision for Gratuity | 17.61 | 10.69 |
| Provision for leave encashment (Refer note - 39 (c)) | 17.09 | 10.79 |
| Provision for long service award | 1.74 | - |
| | 36.44 | 21.48 |

Note 18 - Non current liabilities - Other non current liabilities

| Particulars | (₹ in lakh) | |
|---------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Employee related payables | 11.11 | 0.10 |
| | 11.11 | 0.10 |

Note 19 - Current liabilities - Current Borrowing

| Particulars | (₹ in lakh) | |
|---|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Secured borrowing | | |
| Cash credit facility from Banks | - | 49.82 |
| Unsecured borrowing | | |
| Borrowing from Somany Home Innovation Limited (SHIL)* | - | 620.00 |
| | - | 669.82 |

* Read with note no. 37

Note:

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

Secured borrowing:

a) Cash credit facility from Banks

- (i) Cash credit facility from banks is repayable on demand and is secured by hypothecation of all current assets (including stocks and book debts), present and future, of the Company.
(ii) The said facility is also secured by way of 1st pari passu charge on the Movable fixed assets of the company both present and future.
(iii) The said facility is also further secured by way Corporate Gurantee from M/s Somany Home Innovation Ltd. to cover 50% exposure and SBLC from M/S Group Atlantic to cover the balance 50% exposure, which is pending for acceptance by the bank (Refer note no. 37)

Unsecured borrowing:

b) Borrowing from SHIL (Erstwhile holding company) (Refer note no. 37)

- Borrowing from SHIL (Erstwhile holding company) is repayable on demand but not lesser than 2 years from date of borrowing
- The interest rate for above unsecured borrowing varies from 9.00% to 9.75% per annum, payable on monthly basis.
- The above unsecured borrowing is a specific borrowing and has been utilised for water heater business.
- This loan was repaid subsequent to balance sheet date, hence classified as current borrowings

c)The company has been sanctioned working capital limit in excess of Rs. 5 crore, in aggregate, at points of time during the year, from bank on the basis of security of current assets. The quarterly returns/ statements filed by the company with the bank, are generally in agreement with the unaudited books of accounts of the company of the respective quarters and differences, if any are not material and not having any impact over actual withdrawal/ utilization of working capital limits.

d)The company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.



Note 20 - Trade payables

| Particulars | (₹ in lakh) | |
|-----------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| MSME | 1,567.86 | 262.53 |
| Others | 685.04 | 195.64 |
| Disputed-MSME | - | - |
| Disputed-Others | - | - |
| | 2,252.90 | 458.17 |

* Including of AGI Greenpac Limited (Formerly Known as HSIL Limited) of ₹ 268.53 Lakh (previous year ₹ 22.27 Lakh), Somany Home Innovation Limited of ₹ 235.71 Lakh (previous year ₹ 265.96 Lakh)

Ageing As at 31 March 2022

| Particulars | Outstanding for following period from due date of payment | | | | | | Total |
|--------------------|---|---------|------------------|-----------|-----------|-------------------|----------|
| | Unbilled | Not Due | less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| i MSME | 313.66 | 126.75 | 1,127.43 | 0.02 | - | - | 1,567.86 |
| ii Others | 318.32 | 15.23 | 351.01 | 0.48 | - | - | 685.04 |
| iii Disputed-MSME | | | | | | | |
| iv Disputed-Others | | | | | | | |

Ageing As at 31 March 2021

| Particulars | Outstanding for following period from due date of payment | | | | | | Total |
|--------------------|---|---------|-------------------|-----------|-----------|-------------------|--------|
| | Unbilled | Not Due | less than 1 years | 1-2 years | 2-3 years | More than 3 years | |
| i MSME | 3.76 | 135.14 | 123.62 | | | | 262.52 |
| ii Others | 75.06 | 23.57 | 97.02 | | | | 195.65 |
| iii Disputed-MSME | | | | | | | |
| iv Disputed-Others | | | | | | | |

Disclosure under MSME Act, 2006

Amount due 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

| Particulars | (₹ in lakh) | |
|--|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Principal amount overdue remaining unpaid to any supplier | 1,057.81 | 126.67 |
| Interest due thereon remaining unpaid to any supplier | 55.38 | 1.28 |
| 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 | - | - |
| 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 | 148.62 | 1.28 |
| Interest accrued and remaining unpaid | 149.90 | 1.28 |
| 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 | - | - |

Note 21 - Current liabilities - Other financial liabilities

| Particulars | (₹ in lakh) | |
|--|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Interest accrued but not due on borrowing \$ | 3.52 | 5.39 |
| Creditors for Expenses: | | |
| - due to micro and small enterprises | 62.27 | 6.87 |
| - due to other than micro and small enterprises# | 976.47 | 47.99 |
| Capital creditors* | 18.24 | 173.12 |
| Payable to Related Party (Refer note no.37)** | - | 5,220.48 |
| Employee related payables | 82.66 | 63.71 |
| Other Payables\$\$ | 428.32 | 125.76 |
| | 1,571.48 | 5,643.32 |

\$ Payable to Somany Home Innovation Limited of ₹ NIL (previous year ₹ 5.39 Lakh)

* Including of AGI Greenpac Limited (Formerly Known as HSIL Limited) of ₹ NIL (previous year 173.12) and Somany Home Innovation Limited of ₹ 8.65 Lakh (previous year ₹ NIL)

** Payable against acquisition of water heater business

Including of Hindware Limited (Formerly Known as Brilloca Limited) of 92.7 lakh (previous year ₹ 1.46 Lakh), AGI Greenpac Limited (Formerly Known as HSIL Limited) 40.58 lakh (previous year NIL) and Somany Home Innovation Limited ₹ 539.21 (previous year ₹ 22.57 Lakh)

\$\$ Including Somany Home Innovation Limited of ₹ 19.40 Lakh (previous year NIL) and Atlantic Societe Francaise De Development Thermique Business of ₹ 41.39 Lakh (previous year NIL)



Note 22 - Other current liabilities

| Particulars | ₹ in lakh) | |
|------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Statutory Dues | 93.05 | 19.67 |
| Advance from customers | 17.38 | 8.10 |
| | <u>110.43</u> | <u>27.77</u> |

Note 23 - Current liabilities - Provisions

| Particulars | ₹ in lakh) | |
|--|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Provision for employee benefits: | | |
| - Provision for Gratuity | 0.25 | 0.15 |
| - Provision for leave encashment (Refer not 39 (c)) | 0.88 | 0.53 |
| - Provision for long service award | 0.09 | - |
| Provision for warranty | 5.10 | - |
| | <u>6.32</u> | <u>0.68</u> |
| Movement in warranty provisions | | |
| Balance at the beginning of the year | - | - |
| Additional provision recognised (included in other expenses) | 5.10 | - |
| Balance at the end of the year | <u>5.10</u> | - |

The provision for warranty claims represents the present value of the best estimate of the future outflow of economic benefits that will be required under the Company obligations for warranties under the local sale of goods. The estimate has been made based on historical warranty trends and may vary as a result of new materials, services or other events. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the warranty period of certain products up to 2 years.

Note 24 - Deferred tax assets (net)

| Particulars | ₹ in lakh) | |
|--|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Deferred tax asset arising on account of | | |
| Deferred tax on business losses | 137.48 | 52.73 |
| Provision for employee benefits | 5.70 | 3.25 |
| Provision for doubtful debt | 0.83 | - |
| Deferred tax liability arising on account of | | |
| Difference between book balances and tax balances of property, plant & equipment | (3.24) | (2.49) |
| Others | (1.06) | - |
| | <u>139.71</u> | <u>53.49</u> |

Deferred tax assets (net) in relation to:

| Particulars | As at 1 April 2021 | Recognised in statement of profit and loss | Recognised in other comprehensive income | As at 31 March 2022 |
|--|-----------------------|--|---|------------------------|
| Deferred tax liability arising on account of | | | | |
| Difference between book balances and tax balances of property, plant & equipment | 2.49 | 0.75 | - | 3.24 |
| Others | - | 1.06 | - | 1.06 |
| Sub total | <u>2.49</u> | <u>1.81</u> | <u>-</u> | <u>4.30</u> |
| Deferred tax asset arising on account of | | | | |
| Deferred tax on business losses | (52.73) | (84.75) | - | (137.48) |
| Provision for employee benefits | (3.25) | (2.34) | (0.11) | (5.70) |
| Provision for doubtful debts | - | (0.83) | - | (0.83) |
| Sub total | <u>(55.98)</u> | <u>(87.92)</u> | <u>(0.11)</u> | <u>(144.01)</u> |
| Net deferred tax asset | <u>(53.49)</u> | <u>(86.11)</u> | <u>(0.11)</u> | <u>(139.71)</u> |

Deferred tax assets (net) in relation to:

| Particulars | As at 1 April 2020 | Recognised in statement of profit and loss | Recognised in other comprehensive income | As at 31 March 2021 |
|--|-----------------------|--|---|------------------------|
| Deferred tax liability arising on account of | | | | |
| Difference between book balances and tax balances of property, plant & equipment | - | 2.49 | - | 2.49 |
| Sub total | <u>-</u> | <u>2.49</u> | <u>-</u> | <u>2.49</u> |
| Deferred tax asset arising on account of | | | | |
| Deferred tax on business losses | - | (52.73) | - | (52.73) |
| Provision for employee benefits | - | (3.45) | 0.20 | (3.25) |
| Sub total | <u>-</u> | <u>(56.18)</u> | <u>0.20</u> | <u>(55.98)</u> |
| Net deferred tax asset | <u>-</u> | <u>(53.69)</u> | <u>0.20</u> | <u>(53.49)</u> |



Hintastica Private Limited

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

Note 25: Revenue from Operations

| Particulars | (₹ in lakh) | |
|-----------------------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| i) Revenue from operations | | |
| Sale of goods | 8,277.51 | 458.19 |
| Other operating revenue* | 11.67 | - |
| Total | 8,289.18 | 458.19 |

ii) Unsatisfied performance obligation

Aggregated amount of transaction price allocated to the contracts that are fully or partially unsatisfied at the end of the reporting period:

| | | |
|------------------|-------|------|
| i) Sale of goods | 17.38 | 8.10 |
|------------------|-------|------|

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

| | | |
|---|-----------------|---------------|
| Contract price: | | |
| a) Sale of goods | 10,122.45 | 633.52 |
| Adjustments: | | |
| Discount/Rebate | 1,844.94 | 175.33 |
| Revenue recognised in the statement of profit and loss | 8,277.51 | 458.19 |

***Other operating revenues comprise of:**

| | | |
|--|--------------|----------|
| Insurance claims received | 9.95 | - |
| Sundry balances and liabilities no longer required, written back | 1.72 | - |
| | 11.67 | - |

Note 26: Other income

| Particulars | (₹ in lakh) | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| Excess provision written back | - | 0.09 |
| Fair value gain on financial instruments designated at FVTPL (net) | 6.82 | - |
| Profit on sale of Mutual fund | 29.76 | - |
| Interest income on financial assets | 18.12 | - |
| | 54.70 | 0.09 |

Note 27 : Cost of material consumed

| Particulars | (₹ in lakh) | |
|---------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| Opening stock | - | - |
| Add : Purchases | 391.37 | - |
| Less: Closing stock | (391.37) | - |
| | - | - |



Hintastica Private Limited

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

Note 28 : Purchase of trade goods

| Particulars | (₹ in lakh) | |
|----------------------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| Water heater products and others | 6,238.33 | 310.66 |
| | 6,238.33 | 310.66 |

Note 29 : Changes in inventories of stock-in-trade

| Particulars | (₹ in lakh) | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| Inventories at the end of the year | | |
| Stock-in-trade | 1,574.86 | 1,318.48 |
| | 1,574.86 | 1,318.48 |
| Inventories at the beginning of the year | | |
| Stock-in-trade | 1,318.48 | - |
| Inventories acquired on account of business acquisition | - | 1,422.41 |
| Changes in inventories of stock-in-trade | (256.38) | 103.93 |

Note 30 : Employee benefit expense

| Particulars | (₹ in lakh) | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| Salaries, wages and bonus | 501.99 | 139.77 |
| Contribution to provident funds and other funds | 21.83 | 4.53 |
| Staff welfare expense | 6.37 | 2.50 |
| | 530.19 | 146.80 |

Note 31 : Finance costs

| Particulars | (₹ in lakh) | |
|--------------------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| Interest expense on borrowings | 12.97 | 1.05 |
| Other interest expense | 149.64 | 1.28 |
| | 162.61 | 2.33 |

Note 32 : Depreciation and Amortisation expense

| Particulars | (₹ in lakh) | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| Depreciation on property, plant and equipments (Refer Note.4a) | 68.99 | 9.38 |
| Amortisation of intangible assets (Refer Note.4b) | 0.31 | - |
| | 69.30 | 9.38 |



Hintastica Private Limited**Significant accounting policies and other explanatory information to the financial statements for the period ended 31 March 2022****Note 33 : Other expense**

| Particulars | (₹ in lakh) | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| Consumption of packing material | 13.96 | - |
| Repair & maintenance | 21.45 | - |
| Rent (including lease charges) | 150.36 | 18.61 |
| Rates and taxes | 4.04 | 3.70 |
| Insurance | 8.45 | 2.03 |
| Travelling and conveyance | 96.19 | 25.85 |
| Advertisement and publicity | 191.44 | 14.41 |
| Transportation and forwarding | 546.61 | 26.53 |
| Sales promotion expenses | 175.35 | 67.11 |
| Other selling expenses | 413.16 | 30.00 |
| Legal and professional fees | 68.56 | 8.96 |
| Call centre charges | 46.98 | 4.48 |
| License fees | 82.78 | 4.58 |
| Provision for doubtful debts (Refer note -8) | 5.34 | - |
| Foreign exchange loss | 2.16 | - |
| Management fees | 407.75 | - |
| Miscellaneous expenses | 36.99 | 3.26 |
| | <u>2,271.57</u> | <u>209.52</u> |

Note 34 : Earning per share

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|-------------------------------------|
| | Profit / (Loss) for the year/period attributable to owners of the Company (₹ in lakh) | (585.63) |
| Weighted average number of equity shares (Nos.) | 493,388 | 200,000 |
| Nominal value per share (₹) | 10 | 10 |
| Earning per share (Basic and diluted) (₹) | (118.70) | (135.33) |

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.



Hintastica Private Limited

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

Note 35: Current tax and deferred tax

(a) Current tax expense through profit and loss

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|----------------------------------|----------------------------------|
| Current tax: | | |
| Current income tax charge | - | - |
| Earlier year income tax | - | - |
| Deferred tax: | | |
| In respect of current year origination and reversal of temporary difference | (86.11) | (53.69) |
| Total tax expense recognised in profit and loss account | (86.11) | (53.69) |

(b) Current tax on other comprehensive income

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|----------------------------------|----------------------------------|
| Deferred tax | | |
| Re-measurement of defined benefit obligations | (0.11) | 0.20 |
| | (0.11) | 0.20 |

(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 15.60% as per section 115BAB and the reported tax expense in the statement of profit and loss are as follows:

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|----------------------------------|----------------------------------|
| Profit/ (loss) before tax | (671.74) | (324.34) |
| Domestic tax rate of the Company | 15.60% | 15.60% |
| Latest statutory enacted income tax expense for the company | (104.79) | (50.60) |
| Tax effect of: | | |
| - Non deductible expenses | 23.20 | 0.20 |
| - others | (4.52) | (3.29) |
| Tax expense recognised in statement of profit and loss | (86.11) | (53.69) |



Hintastica Private Limited

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

Note 36 :- Ratios disclosure

| | Particulars | As at 31 March 2022 | As at 31 March 2021 | Variance (in%) * |
|--------|---|------------------------|------------------------|------------------|
| (i) | Current Ratio (times) Total current assets / Total current liabilities | 2.26 | 0.27 | 721.85% |
| (ii) | Total Debts to Equity Ratio (times) (Non-current borrowings + Current borrowings) / Net worth Non Current borrowings includes deferred government grant Net worth = Equity share capital + Securities premium account + Retained earnings+Actuarial gain/(loss) | 0.26 | (2.70) | -109.68% |
| (iii) | Debt Service Coverage Ratio (times)* (Profit after Tax + Depreciation + Interest on loan + Loss/(gain) on sale of property, plant and equipment) / (Interest on loan + Loan and lease repayment) | (100.49) | 0.00 | -109.68% |
| (iv) | Return on Equity (%) (Profit for the year / Net worth) Net worth = Equity share capital + Securities premium account + Retained earnings+Actuarial gain/(loss) | -11.15% | -231.16% | -95.18% |
| (v) | Inventory Turnover (times)^ (Cost of goods sold / Average inventories) | 3.59 | 0.31 | 1063.54% |
| (vi) | Trade Receivables Turnover (times)^ (Sales of goods / Average trade receivables) | 4.68 | 0.97 | 382.63% |
| (vii) | Trade Payables Turnover (times)^ (Total Purchases / Average trade payables) | 4.89 | 0.68 | 621.32% |
| (viii) | Net Capital Turnover (times) (Revenue from Operations / Average working capital) Working capital = Current assets - Current liabilities | 1.67 | (0.09) | -1899.61% |
| (ix) | Net Profit Ratio (%) (Profit for the year / Revenue from operations) | -7.07% | -59.07% | -88.02% |
| (x) | Return on Capital Employed (%) (Earnings before interest and tax / Capital employed) Capital employed = Net worth + Borrowings + Deferred tax liability- Other intangible assets | -3.76% | -77.04% | -95.12% |
| (xi) | Return on Investments - Mutual Funds (%) (Income generated from Investment/Time weighted average Investment) | 3.33% | - | 100.00% |

*Since transactions commenced with effect from 31st December 2020, hence the figures for the year 1st April 2020 to 31st March 2021 are not comparable with current year figures as there were no business operations before acquisition of Water Heater Business.

^ Previous year ratio is based upon closing balances



Note 37: Related party transactions

Related party disclosures (as identified by the management) in accordance with the Indian accounting standard (Ind As 24) on "Related Party Disclosures" are as follows:

(i) List of related parties ^a

| Relationship | Name of related party |
|--|--|
| Key management Personnel (KMP) | Shri Sandip Somany - Director Shri Girdhari Lal Sultania - Cease to be director w.e.f 29 Oct 2021 Shri Niranjn Kumar Goenka - Cease to be director w.e.f 29 Oct 2021 Shri Rakesh Kaul - Director Shri Sebastien Hugues Marie Le Garec - Appointed as director w.e.f. October 29, 2021 Shri Ettore Montanaro - Appointed as director w.e.f. October 29, 2021 Shri Gilles Georges Marie Romagne -Appointed as director w.e.f. October 29, 2021 |
| Holding Company | Somany Home Innovation Limited (till May 19, 2021) |
| Joint Venture Partners | Atlantic Societe Francaise De Development Thermique Business (w.e.f. May 20,2021) Somany Home Innovation Limited (ceased to be holding company w.e.f. May 20, 2021) |
| Fellow subsidiary | Hindware Limited (Formerly Known as Brilloca Limited) - (ceased to be fellow subsidiary w.e.f. May 19, 2021) Luxxis Heating Solutions Private Limited (ceased to be fellow subsidiary w.e.f. May 19, 2021) Hindware Home Retail Private Limited (ceased to be fellow subsidiary w.e.f. May 19, 2021) |
| Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company | AGI Greenpac Limited (Formerly Known as HSIL Limited) |
| Promoter's Group Companies | SNC Atlantic Water Heater Asia Co. Ltd Hindware Limited (Formerly Known as Brilloca Limited) (w.e.f. May 20, 2021) Hindware Home Retail Private Limited (w.e.f. May 20, 2021) Atlantic ALC (HK) Limited Groupe Atlantic Synergy |

(ii) Transactions during the year

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|----------------------------------|----------------------------------|
| Purchase of goods: | | |
| Somany Home Innovation Limited | 204.11 | 225.92 |
| AGI Greenpac Limited (Formerly Known as HSIL Limited) | 228.99 | 19.31 |
| SNC Atlantic Water Heater Asia Co. Ltd | 77.06 | |
| Atlantic ALC (HK) Limited | 10.66 | |
| Sale of goods: | | |
| AGI Greenpac Limited (Formerly Known as HSIL Limited) | 0.52 | 0.06 |
| Hindware Home Retail Private Limited | 2.24 | 0.37 |
| Issue of equity shares (including premium) | | |
| Somany Home Innovation Limited | 2,766.39 | - |
| Atlantic Societe Francaise De Development Thermique Business | 8,826.39 | |
| Borrowing: | | |
| Somany Home Innovation Limited | | 620.00 |
| Repayment of Borrowing: | | |
| Somany Home Innovation Limited | 620.00 | |
| Interest on borrowing: | | |
| Somany Home Innovation Limited | 7.02 | 6.05 |
| Net assets purchase on business acquisition: | | |
| Somany Home Innovation Limited | | 1,745.78 |
| Goodwill on business acquisition: | | |
| Somany Home Innovation Limited | | 3,474.70 |
| Rent paid: | | |
| Hindware Limited (Formerly Known as Brilloca Limited) | | 0.82 |
| Somany Home Innovation Limited | 140.57 | 17.60 |
| License fees paid: | | |
| Somany Home Innovation Limited | 41.39 | 4.58 |
| Atlantic Societe Francaise De Development Thermique Business | 41.39 | |
| Purchase of assets | | |
| AGI Greenpac Limited (Formerly Known as HSIL Limited) | 199.70 | 798.77 |
| Somany Home Innovation Limited | 7.33 | |
| Groupe Atlantic Synergy | 738.36 | |
| Expenses reimbursed to Related Party | | |
| Somany Home Innovation Limited | 52.38 | |
| Management Fees Exps. | | |
| AGI Greenpac Limited (Formerly Known as HSIL Limited) | 52.28 | |
| Hindware Limited (Formerly Known as Brilloca Limited) | 99.56 | |
| Somany Home Innovation Limited | 292.30 | |
| Corporate Guarantee given by SHIL | 4,450.00 | 5,000.00 |

^aArm length price as certified by management



Hintastica Private Limited

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

(iii) Balance outstanding as at the end of the year:

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Receivable: | | |
| Hindware Home Retail Private Limited | 2.88 | 0.24 |
| Advance to Supplier : | | |
| Atlantic ALC (HK) Limited | 51.76 | - |
| Payable: | | |
| Somany Home Innovation Limited | | |
| - Loan | - | 620.00 |
| - Others | 802.97 | 5,514.40 |
| AGI Greenpac Limited (Formerly Known as HSIL Limited) | 309.14 | 195.39 |
| Hindware Limited (Formerly Known as Brilloca Limited) | 92.71 | 1.46 |
| Atlantic Societe Francaise De Development Thermique Business | 41.39 | - |
| Corporate Guarantee Outstanding | 9,450.00 | 5,000.00 |

Note 38: Segment Reporting

The Company has operates in single line of product i.e. water heater. Hence, no disclosure on segment reporting is required to be given in these financial statements.

Note 39: Employee benefits

A. Define contribution plans

The Company's contribution to Provident fund for ₹ 21.55 lakh (previous year : ₹ 4.47 lakh) has been recognised in the statement of profit and loss under the head Employee benefit expense.

B. Define 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.

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

| Particulars | Gratuity (Unfunded) | |
|---|---------------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| | (₹ in lakh) | |
| Current service cost | 6.52 | 0.98 |
| Past service cost | - | - |
| Net interest expenses/ (income) | 0.74 | 0.18 |
| Defined benefit costs recognised in statement of profit or loss | 7.25 | 1.16 |
| Net actuarial (gain)/ loss | 0.73 | (1.29) |
| Expected return on plan assets excluding interest income | - | - |
| Defined benefit costs recognised in other comprehensive income | 0.73 | (1.29) |
| I. Changes in the obligation during the year ended 31 March 2021 | | |
| 1. Present value of defined benefit obligation at the beginning of the year | 10.84 | |
| 2. Defined benefit obligation received on account of business acquisition | | 10.97 |
| 3. Expenses recognised in the statement of profit or loss | | |
| - Current Service Cost | 6.51 | 0.98 |
| - Interest Expenses | 0.74 | 0.18 |
| 4. Recognised in other comprehensive income | | |
| - Actuarial (gain)/loss arising from experience adjustments | 1.63 | (0.95) |
| - Actuarial (gain)/loss arising from financial assumption | (0.90) | (0.34) |
| 5. Benefit payments | (0.97) | - |
| Present value of defined benefit obligation at the end of the year | 17.85 | 10.84 |

II. Actuarial assumptions

| | 31 March 2022 | 31 March 2021 |
|--|--------------------------|--------------------------|
| 1. Discount rate | 7.18% | 6.80% |
| 2. Expected rate of increase in compensation level | 5.50% | 5.50% |
| 3. Attrition rate | 1.00% | 1.00% |
| 4. Mortality rate | 100 of IALM (2012-14) | 100 of IALM (2012-14) |
| 5. Superannuation age | 58 | 58 |



Hintastica Private Limited

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

III. Sensitivity analysis

(₹ in lakh)

| Particulars | March 31, 2022 | | March 31, 2021 | |
|---|----------------------|-------------------------------|----------------------|-------------------------------|
| | Change in assumption | Effect on gratuity obligation | Change in assumption | Effect on gratuity obligation |
| Discount rate | +5% | (1.18) | +5% | (0.69) |
| | -5% | 1.29 | -5% | 0.76 |
| Expected rate of increase in compensation level | +5% | 1.31 | +5% | 0.76 |
| | -5% | (1.20) | -5% | (0.71) |

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.

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

(₹ in lakh)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|-----------------------------------|-----------------------------------|
| Amounts recognised in the Balance sheet | | |
| Non current (refer note 17) | 17.09 | 10.79 |
| Current (refer note 22) | 0.88 | 0.53 |
| | 17.97 | 11.32 |
| Amounts recognised in the statement of profit and loss | | |
| Current service cost | 7.52 | 1.14 |
| Interest cost | 0.77 | 0.19 |
| Actuarial loss | 4.52 | (1.42) |
| Expenses recognised in Income Statement | 12.81 | (0.09) |
| Reconciliation of opening and closing balance of benefit obligations | | |
| Change in benefit obligation | | |
| Defined benefit obligation at the beginning of the year | 11.32 | - |
| Defined benefit obligation on account of business acquisition | - | 11.41 |
| Current service cost | 7.52 | 1.14 |
| Interest cost | 0.77 | 0.19 |
| Actuarial loss/(gain) | 4.52 | (1.42) |
| Benefits payments | (6.16) | - |
| Defined benefit obligation at the end of the year | 17.97 | 11.32 |

The average duration of remaining working life at the end of the reporting period is 21.35 years (Previous year -20.64 years).

Note 40: Contingent liabilities

(₹ in lakh)

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Demands raised by Sales tax authorities against which appeals have been filed | 3.67 | - |

Note 41: Capital and other commitments

(₹ in lakh)

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Commitments relating to contracts remaining to be executed on capital account and other commitments not provided for | 3,944.72 | - |

Note 42: Payment to Auditors (Excluding Goods and Service Tax)

(₹ in lakh)

| Particulars | 31 March 2022 | 31 March 2021 |
|---------------------|---------------|---------------|
| As Auditors | 1.00 | 0.40 |
| For taxation matter | 1.00 | - |
| Certification fees | 0.45 | 0.75 |
| Other services | 1.04 | - |
| | 3.49 | 1.15 |



Note 43: 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 15 & 19; cash and cash equivalents as disclosed in note 11 and equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained earnings as disclosed in the Statement of changes in equity. For the purpose of calculating gearing ratio, debt is defined as non current and current borrowings. 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 of Directors of the Company reviews the capital structure and cost of capital on an annual basis but has not set specific targets for gearing ratios. The risks associated with each class of capital are also considered as part of the risk reviews presented to the Audit Committee and the Board of Directors of the Company.

The following table summarises the capital of the Company

| Particulars | As at | |
|---|---------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Equity | 10,754.66 | -251.87 |
| Liquid assets (cash and cash equivalents) - (a) | 259.87 | - |
| Current borrowings | - | 669.82 |
| Non-current borrowings | 2,782.73 | - |
| Total Debt (b) | 2,782.73 | 669.82 |
| Net Debt [(c) = (b) - (a)] | 2,522.86 | 669.82 |
| Total capital (equity+net debt) | 13,277.52 | 417.95 |
| Gearing ratio | | |
| Debt to equity | 25.87% | -265.94% |
| Net debt to equity ratio | 23.46% | -265.94% |

Categories of financial instruments

Categories of financial assets/(liabilities)

| Particulars | Notes | As at 31 March 2022 | | | As at 31 March 2021 | | |
|---|-------------|---------------------|------------------------|------------------------|---------------------|------------------------|------------------------|
| | | Carrying value | Gain/ (loss) to income | Gain/ (loss) to equity | Carrying value | Gain/ (loss) to income | Gain/ (loss) to equity |
| | | | | | | | |
| Financial assets measured at amortised costs | | | | | | | |
| Trade receivables | Note 10 | 3,061.64 | - | - | 472.01 | - | - |
| Cash and bank balances | Note 11 | 259.87 | - | - | - | - | - |
| Total financial assets measured at amortised costs | | 3,321.51 | - | - | 472.01 | - | - |
| Financial assets measured at fair value | | | | | | | |
| Investments | Note 9 | 2,798.59 | 6.82 | - | - | - | - |
| Total financial assets measured at fair value | | 2,798.59 | 6.82 | - | - | - | - |
| Financial liabilities measured at amortised costs | | | | | | | |
| Borrowings | Note 15, 19 | 2,782.73 | - | - | 669.82 | - | - |
| Trade payables | Note 20 | 2,252.90 | - | - | 458.17 | - | - |
| Other financial liabilities (Current & Non Current) | Note 16, 21 | 1,604.53 | - | - | 5,654.72 | - | - |
| Total | | 6,640.16 | - | - | 6,782.71 | - | - |
| Total Financial assets/ (liabilities) | | (520.06) | 6.82 | - | (6,310.70) | - | - |

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.

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 and cash and cash equivalents.

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. The Company does not maintain significant deposit balances other than those required for its day to day operations.



Hintastica Private Limited

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Trade receivables

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

The average credit period taken on sales of goods is 30 to 90 days. Generally, no interest has been charged on the receivables. Allowances against doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Before accepting any new customer, the Company uses an internal credit system to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed periodically. There are no customers who represent more than 10 per cent of total net revenue from operations. 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 receivable 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 |
| Upto 6 months | 0 |
| From 6 months to 1 year | 0 |
| From 1 year to 3 years | 10 to 100 |
| More than 3 years | 100 |

Ageing of past due trade receivables

| Period | As at | |
|-------------------------|---------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Not due for payment | 277.83 | 144.73 |
| Upto 6 months | 2,151.65 | 327.28 |
| From 6 months to 1 year | 584.14 | - |
| From 1 year to 3 years | 53.36 | - |
| More than 3 years | - | - |

Ageing of impaired trade receivables

| Period | As at | |
|-------------------------|---------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Not due for payment | - | - |
| Upto 6 months | - | - |
| From 6 months to 1 year | - | - |
| From 1 year to 3 years | 5.34 | - |
| More than 3 years | - | - |

Liquidity risk

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

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

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

| Particulars | Notes | As at 31 March 2022 | | | Total |
|------------------------------|-------------|-------------------------|---|-----------------------|-----------------|
| | | Not later than one year | Later than one year but not later than five years | Later than five years | |
| Financial liabilities | | | | | |
| Borrowings - Bank loans | Note 15, 19 | - | 1,113.09 | 1,669.64 | 2,782.73 |
| Trade payables | Note 20 | 2,252.90 | - | - | 2,252.90 |
| Other financial liabilities | Note 16, 21 | 1,571.48 | - | 33.05 | 1,604.53 |
| Total | | 3,824.38 | 1,113.09 | 1,702.69 | 6,640.16 |



Hintastica Private Limited

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

(₹ in lakh)

| Particulars | Notes | As at 31 March 2021 | | | Total |
|------------------------------------|-------------|--------------------------|---|-----------------------|-----------------|
| | | Note later than one year | Later than one year but not later than five years | Later than five years | |
| Financial liabilities | | | | | |
| Borrowings - Bank loans | Note 19 | 49.82 | - | - | 49.82 |
| Borrowings - Inter corporate loans | Note 19 | 620.00 | - | - | 620.00 |
| Trade payables | Note 20 | 458.17 | - | - | 458.17 |
| Other financial liabilities | Note 16, 21 | 5,654.72 | - | - | 5,654.72 |
| Total | | 6,782.71 | - | - | 6,782.71 |

Market Risk

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

Currency Risk

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

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

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

Interest Risk

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

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

(₹ in lakh)

| Particulars | Change in interest rate | Effect on profit before tax | |
|--------------------------------|-------------------------|-----------------------------|---------------|
| | | 31 March 2022 | 31 March 2021 |
| Long term borrowings from bank | + 0.5% | (13.91) | - |
| | - 0.5% | 13.91 | - |

| Particulars | Currency | As at | As at |
|-------------------|----------|-----------------|-----------------|
| | | 31st March 2022 | 31st March 2021 |
| Trade Receivables | | Nil | Nil |
| Trade Payables | USD | 0.12 | Nil |

| Currency Rate | As at | As at |
|---------------|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| USD | 75.8071 | 73.5047 |
| EUR | 84.6599 | 86.099 |

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

| Particulars | Currency | As at | As at |
|-------------------|----------|-----------------|-----------------|
| | | 31st March 2022 | 31st March 2021 |
| Trade Receivables | | Nil | Nil |
| Trade Payables | USD | 0.12 | Nil |

Sensitivity analysis

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

| Currency | Change in currency exchange rate | Effect on profit before tax | Effect on profit before tax |
|----------|----------------------------------|-----------------------------|-----------------------------|
| | | 31 March 2022 | 31 March 2021 |
| USD | 5% | (0.45) | Nil |
| | -5% | 0.45 | Nil |
| EUR | 5% | Nil | Nil |
| | -5% | Nil | Nil |

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



Hindustica Private Limited

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

Commodity risk

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

Note 44 - Financial instrument by category

| Particulars | (₹ in lakh) | | | | | |
|--|---------------|-----------------|-----------------|---------------|----------|-----------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| | FVOCI | FVTPL | Amortised cost | FVOCI | FVTPL | Amortised cost |
| Non current financial assets | | | | | | |
| Investments | - | - | - | - | - | - |
| Loans | - | - | - | - | - | - |
| Other financial assets | - | - | - | - | - | - |
| Current financial assets | | | | | | |
| Investments | - | 2,798.59 | - | - | - | - |
| Trade receivable | - | - | 3,061.64 | - | - | 472.01 |
| Cash and cash equivalents | - | - | 759.87 | - | - | - |
| Loans | - | - | - | - | - | - |
| Bank balances other than cash and cash equivalents | - | - | - | - | - | - |
| Other financial assets | - | - | - | - | - | - |
| Total financial assets | - | 2,798.59 | 3,321.51 | - | - | 472.01 |
| Non Current financial liabilities | | | | | | |
| Non-current borrowings | - | - | 2,782.73 | - | - | - |
| Other financial liabilities | - | - | 33.05 | - | - | 11.40 |
| Current financial liabilities | | | | | | |
| Current borrowings | - | - | - | - | - | 669.82 |
| Trade payables | - | - | 2,252.90 | - | - | 458.17 |
| Other financial liabilities | - | - | 1,571.48 | - | - | 5,643.32 |
| Total financial liabilities | - | - | 6,640.16 | - | - | 6,782.71 |

Note 45 - Transactions with Struckoff companies

| (₹ in lakh) | | | | |
|----------------------------|-----------------------|------------------------------|------------------------------|--|
| Name of struck off company | Nature of transaction | Balance as at March 31, 2022 | Balance as at March 31, 2021 | Relationship with the struck-off Company |
| Baron Electronics Pvt Ltd | Sale of goods | (0.06) | - | Customer |

Note 46: 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 47: Social Security Code

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

Note 48: Comparability

The Board of Directors of the Company at its meeting held on 30th December 2020 had approved the acquisition of Water Heater Business Undertaking noting the consummation of the transaction with effect from 31st December 2020, hence the figures for the year 1st April 2020 to 31st March 2021 are not comparable with current year figures as there were no business operations before acquisition.

Note 49: Execution of Share Subscription and Shareholder Agreement (SSHA)

a) The Board of Directors of the Company, at its meeting held on 25th March, 2021 had approved the execution of Share Subscription and Shareholders Agreement ("SSHA") (along with the ancillary agreements) with M/s. Atlantic Societe Francaise De Development Thermique, France ("Groupe Atlantic") and its erstwhile holding company Somany Home Innovation Limited (SHIL). Pursuant to the execution of SSHA, the SHIL had infused Rs. 766.59 lakh on 13th May 2021 by subscribing 25,300 equity shares of Rs. 10 each at an agreed valuation of Rs. 3,030 per shares (Rs. 10 face value plus Share Premium of Rs. 3020 per share) in the Company, and Groupe Atlantic infused Rs. 6,826.59 lakh on 19th May 2021 by subscribing 225,300 equity shares at agreed valuation of Rs. 3,030 per shares (Rs. 10 face value plus Share Premium of Rs. 3020 per share) in the Company, such that post aforesaid investments by the SHIL and Groupe Atlantic and post allotment of equity shares to the SHIL and Groupe Atlantic, SHIL and Groupe Atlantic has become a 50:50 joint venture w.e.f. 20th May 2021

Note 50 : Impact of Covid - 19

The Covid-19 impacted the business activities during the first half of the current financial year as well as preceding financial year. The figures for the year ended on 31st March 2022 are not comparable with preceding financial year ended on 31st March 2021, on account of restriction in business activities. The Company has taken into account external and internal factors for assessing possible impact of COVID-19 on various elements of its financial statements, including recoverability of assets.



Hintastica Private Limited

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

Note 51: Issue of Right Shares

The Board of Directors of the Company at its meeting held on 16th August 2021 and other resolutions passed on 3rd September 2021 had approved the right issue size, rights entitlement ratio, fixing the issue price, fixing the record date and in accordance with the provisions of the Companies Act, 2013 and the applicable Rules prescribed thereunder, the Company had issued 1,32,000 fully paid-up Equity Shares of face value of Rs.10 each for cash at a price of Rs.3,030 per Equity Share (including a premium of Rs.3,020 per Equity Share) aggregating to Rs.3,999.60 lakhs on a rights basis to eligible equity shareholders in the ratio of 220 Equity Share for 751 fully paid-up Equity Share held on the record date, that is 23rd August, 2021. These equity shares were allotted on 3rd September 2021. The past Rights Issue of as stated above has resulted in an increase of equity share capital by Rs.13.20 lakhs and Securities Premium Reserve by Rs.3,986.40 lakhs.

Note 52: Payment of Royalty

The Company has been paying licence fee 1% of its Nets Sales to SHIL (Erstwhile holding company) till 3rd August 2021. Based on the transfer pricing study on transaction with group companies, the company has started paying 0.5% Net Sales each to both joint venture company i.e. SHIL and Atlantic Societe Francaise De Development Thermique w.e.f 4th August 2021, after entering into joint venture arrangement by the SHIL and Atlantic Societe Francaise De Development Thermique.

Note 53: Acquisition of water heater business

The Board of Directors of Company in its meeting held on 22nd June 2020, had approved acquisition of Water Heater Business Undertaking (the "WHBU") from its erstwhile holding company i.e. Somany Home Innovation Limited (the "SHIL") by way of slump sale through Business Transfer Agreement (BTA) between the Company and SHIL. The aforesaid BTA was executed between the parties on 2nd July, 2020. The Board of Directors of the Company at its meeting held on 30th December, 2020 also noted the consummation of the transaction with effect from 31st December, 2020. Excess of purchase consideration over net assets acquired has been accounted for as Goodwill.

| Particulars | (₹ in lakh) | |
|--|-------------|--|
| | Amount | |
| Total amount payable on acquisition of water heater business | 5,220.48 | |
| Net assets acquired | 1,745.78 | |
| Goodwill | (3,474.70) | |

Note 54: Water heater manufacturing project

The Company has undertaken setting up water heater manufacturing plant in the state of Telangana. Following are the details of cost incurred till 31 March 2022:

| Particulars | As on | |
|--------------------------------|-----------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Cost of land | 650.30 | 644.29 |
| Project development cost | 208.59 | 176.59 |
| Soft cost | 140.99 | 22.10 |
| Capital work in progress | 2,321.16 | 17.97 |
| Preoperative expenditure : | | |
| - Employee Benefit Expenditure | 112.82 | - |
| - Finance cost | 9.57 | 6.05 |
| - Other expenses | 22.64 | - |
| Total | 3,466.07 | 867.00 |

Note 55

- (a) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (b) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- (c) There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are: (a) repayable on demand; or (b) without specifying any terms or period of repayment.
- (d) The Company has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- (e) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (f) Utilisation of borrowed funds and share premium
- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- (g) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

Note 56

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



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




Shyamal Kumar
Partner
M. No. 509325

Place : New Delhi
Date : 16th May 2022



For and on behalf of the Board of Directors



Sandip Somany
Director
DIN: 00053597



Rakesh Kaul
Director
DIN: 08560772
Place : Gurugram
Date : 16th May 2022

