



# BEARDELL LIMITED

Regd. Office :  
47, Greams Road,  
CHENNAI - 600 006. (INDIA)  
Tel : 2829 32 96, 2829 09 00  
GSTIN : 33AAACB1429P2ZP  
CIN No. : L65991TN1936PLC001428  
E-mail : ho@beardsell.co.in  
Website : www.beardsell.co.in

Sec : August : 2021

24<sup>rd</sup> August, 2021

The Listing Manager,  
National Stock Exchange of India Limited,  
Exchange Plaza  
Bandra Kurla Complex, Bandra (E)  
Mumbai-400 051  
**Scrip Code: BEARDELL**

The Listing Manager  
BSE Limited  
Registered Office : Floor 25  
P J Towers, Dalal Street,  
Mumbai – 400 001  
**Scrip Code: 539447**

Dear Sir,

Sub: Submission of Annual Report for the year 2020-21 – reg.

Pursuant to Regulation 34(1) of the SEBI (LODR), Regulations, 2015, as amended, we submit the Annual Report for the year 2020-21 in PDF version, along with the Notice of the 84<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Wednesday, 15th September 2021 at 10.00 a.m IST through Video Conferencing/ Other Audio-Visual Means.

The Annual Report including Notice is also uploaded on the website of the Company viz., [www.beardsell.co.in](http://www.beardsell.co.in)

Kindly take on record the above submission.

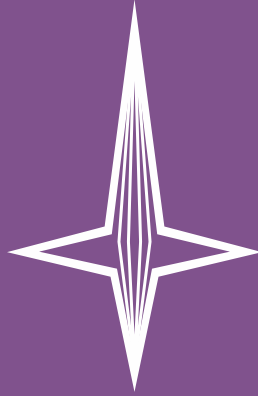
Thanking you,

Yours faithfully,  
for BEARDELL LIMITED,

  
K MURALI  
COMPANY SECRETARY



Encl : As above



**BEARDSELL LIMITED**

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**84<sup>th</sup>** *Year*

**Eighty Fourth Annual Report & Accounts**

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**2020 - 2021**

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# BEARDELL LIMITED

CIN NO :L65991TN1936PLC001428

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## **Directors**

Mr. R. Gowri Shanker - Chairman - Non-Executive Director  
Mr. Amrith Anumolu - Executive Director  
Mr. V.J. Singh - Non Executive Director  
Mrs. Jayasree Anumolu - Non-Executive Director  
Mr. Gurram Jagannatha Reddy - Non Executive Independent Director  
Mr. A.V. Rammohan - Non Executive Independent Director

## **Chief Financial Officer**

Mr. V.V. Sridharan

## **Company Secretary**

Mr. K. Murali

## **Auditors**

M/s. S.R.BATLIBOI & ASSOCIATES LLP,  
Chartered Accountants (ICAI Firm registration number: 101049W/E300004)  
6th Floor, A Block, Tidel Park, No.4, Rajiv Gandhi Salai, Taramani, Chennai - 600113.

## **Secretarial Auditor**

Mr. Rabindrakumar Samal, Practicing Company Secretary  
4th Floor, Tower 1, Sakthi Towers, 766, Anna Salai, Chennai - 600002.

## **Cost Auditor**

Mr. M. Krishnaswamy, Practicing Cost Accountant  
Flat 1K, Ramaniyam Ganga, Door No.27/30, First Avenue, Ashok Nagar, Chennai - 600083.

## **Bankers**

Bank of India, Chennai Overseas Branch,  
Star House, 3rd Floor, 30 (Old No.17), Errabalu Street, Chennai - 600001.

## **Registered Office**

47, Graemes Road, Chennai - 600 006  
Phone : 044 - 2829 3296 / 2829 0900  
CIN No. : L65991TN1936PLC001428  
GST NO : 33AAACB1429P2ZP  
E-mail : ho@beardsell.co.in  
Website : www.beardsell.co.in



# BEARDESELL LIMITED

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**NOTICE IS HEREBY GIVEN** that the Eighty Fourth Annual General Meeting of the Company will be held on Wednesday, 15th September 2021 at 10.00 A.M through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following items of business

## **ORDINARY BUSINESS:**

### **1. ADOPTION OF ACCOUNTS:**

To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION.**

"RESOLVED THAT the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss account of the Company ( Both Standalone and Consolidated ) with the Schedules and Cash Flow Statement for the year ended 31st March, 2021 together with the Directors Report and the Auditors' Report thereon, be and are hereby approved and adopted."

"**RESOLVED THAT** the Board's report, the statement of profit and loss and the cash flow statement for the year ended 31 March, 2021 and the balance sheet as at that date, including the consolidated financial statements, together with the independent auditors' reports thereon be and are hereby considered, approved and adopted".

### **2. TO DECLARE A DIVIDEND :**

To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION.**

**RESOLVED THAT** pursuant to the recommendation of the Board of Directors, Dividend at the rate of Re.0.10 (5 percent) per equity share to be paid for the year ended 31st March, 2021 to those share holders whose name appears in the Register of Members on 8th September 2021, being the record date fixed for the purpose, be and is hereby confirmed.

### **3. APPOINTMENT OF DIRECTOR :**

To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION.**

"RESOLVED THAT Mr. V. J. Singh who retires by rotation and being eligible for reappointment be and is hereby appointed as a Director of the Company."

### **4. APPOINTMENT OF AUDITORS**

To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION.**

"**RESOLVED THAT** the Auditors of the Company, Messrs. S.R. Batliboi & Associates LLP, Chartered Accountants, Chennai (ICAI Registration Number of the firm is 101049W/E300004) who were appointed as Statutory Auditors to hold office for a period of five years till the conclusion of the 85th Annual General Meeting on a remuneration as the Board of Directors of the Company may determine, in addition to travelling and out of pocket expenses be and is hereby ratified".

## **AS SPECIAL BUSINESS:**

### **5. TO ACCEPT / RENEW UNSECURED DEPOSITS FROM SHAREHOLDERS:**

To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION.**

"**RESOLVED THAT** pursuant to section 73(2) read with Chapter V of the Companies (Acceptance of Deposits) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013, the Company be and is hereby authorized to accept / renew unsecured deposits from shareholders not exceeding 35% of the aggregate of the paid up capital and free reserves of the Company as per the latest audited accounts as of 31/03/2021 amounting to **Rs.1396.36** including deposits outstanding as on the date of the issue of the Circular".

"RESOLVED FURTHER THAT Mr. K. Murali, Company Secretary be and is hereby authorized to sign and file the necessary forms / documents with all statutory authorities to give effect to the above resolution".

Chennai  
7th August, 2021

By Order of the Board  
K. Murali  
Company Secretary

## Notice to the Shareholders

### NOTES: Statutory information:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the Special Business set out in Item no 5 annexed here to
2. The Register of Members and the Share Transfer books of the Company will remain closed from **9th September 2021 to 15th September 2021 (both days inclusive)** in connection with the Annual General Meeting (AGM) and payment of dividend.
3. Pursuant to the General Circular No. 20/2020 dated 5th May 2020 read with General Circulars No. 14/2020 dated 8th April 2020 and 17/2020 dated 13th April 2020 and 02/2021 dated 13th January 2021, the Meeting will be held through Video Conferencing / Other Audio Visual Means.
4. In terms of the above Circulars, there is no provision for appointment of proxies for the meeting. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of bodies corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
5. For participating in the Meeting through the VC/OAVM please see the guidance in Page 9.
6. Members desirous of speaking at the meeting may register through the web portal of the Registrar & Transfer Agent (RTA) Cameo Corporate Services Limited through the web-link: <https://Investors.cameoindia.com>.
7. The above facility for registration will be open from 9:00 AM on 09-09-2021 to 5:00 PM on 13-09-2021. It may please be noted that there will be no option for spot registration and so only those shareholders who have registered through the above process will be able to speak at the meeting.
8. Members who do not wish to speak during the AGM but need clarifications on the items to be transacted at the AGM may send their queries by e-mail to [cs@beardsell.co.in](mailto:cs@beardsell.co.in) on or before 8th September 2021, mentioning their names, demat account number/folio number, e-mail id and mobile number. These queries will be replied to by the Company suitably by email.
9. Despatch of Annual Report and Notice of the meeting: Electronic copy of the Annual Report for the year 2020-21 and the Notice of the 84th Annual General Meeting are being sent to all the members whose E-mail IDs are registered with the Company/Depository Participant(s) for communication purposes. Members may note that pursuant to the aforesaid Circulars, there is no provision for providing printed copies of the Annual Reports.
10. Annual Report and the Notice of the AGM are available in the Company's website: [www.beardsell.co.in](http://www.beardsell.co.in) The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
11. Facility for Remote E-voting and Voting during the meeting: Pursuant to Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 108 of the Companies Act 2013, and the relevant Rules, the Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) to facilitate the Members to exercise their right to vote at the Annual General Meeting through remote e-voting. The detailed process for participating in the said e-voting is furnished in Page No. 9.
12. A person who has participated in the remote e-voting is not debarred from participating in the meeting though he/she shall not be able to vote at the meeting again and his/her earlier vote cast electronically shall be treated as final.

However, as per Rule 20 of the Companies (Management & Administration) Rules, 2014, facility for voting shall also be made available at the meeting and Members who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting which would also be through electronic mean

### 13. Payment of dividend and withholding tax thereon:

1. The dividend for the year 2020-21 upon declaration at the AGM, will be paid on or before 14th October, 2021.
2. As per the Finance Act, 2020, from 1st April 2020, dividend is taxable in the hands of the recipient and the Company is required to deduct tax at source from dividend. Accordingly dividend would be paid net of TDS @ 20% if the Member has not provided his/her valid PAN and @ 10% in other cases.
3. Tax Deduction would be PAN based and so in the case of multiple holding by the same first named person, the dividend would be aggregated for determining the TDS.
4. If the Member
  - (a) is a resident individual and the amount of dividend does not exceed 5,000 or furnishes a declaration in Form 15G/15H, no such deduction will be made.
  - (b) is a Non Resident or Foreign Institutional Investor or a Foreign Portfolio Investor, tax deduction would be @ 20%
  - (c) is other than (a) or (b) above, TDS would be deducted @ 10% or as the case may be 20%, in the absence of a valid PAN.
  - (d) in addition to the above surcharge and cess as applicable will be deducted.
5. Resident Individuals may submit their declarations to the RTA through <https://Investors.cameoindia.com>. It may please be noted that physical copies of the Forms will not be acceptable and so Members may provide the declaration only electronically. The facility for providing the declaration for Dividend 2020-21 will not be available after 8th September 2021 5:00 PM.
6. As per SEBI guidelines, dividend is to be paid through electronic mode into the bank account as per the details furnished by the depositories. In case electronic payment is not possible, the bank account details, if available will be printed on the warrant/other payment instrument. The Company is not permitted to entertain any direct request for deletion or change of such bank details.
7. Members may provide their bank account details through the Web-portal of the RTA <https://Investors.cameoindia.com>. Information provided after 15th September 2021 may not be considered by the RTA and warrants will be sent. Due to the current pandemic situation, there may be delays in receipt of the warrants by the shareholders. Unpaid/Unclaimed Dividend:

### Unpaid/Unclaimed Dividend:

14. As per Section 125 of the Act, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government.

The Company has, accordingly, transferred ` Rs.218132/- being the unpaid and unclaimed dividend amount pertaining to the year 2012-13 to the IEPF during the year.



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S.No	Financial Year	Date of Declaration of Dividend	% of Dividend	Date of Transfer to unpaid Dividend Account	Date of Transfer to Central Government to Investor Education and Protection Fund
1	2013-2014	13/08/2014	10%	18/09/2014	17/09/2021
2	2014-2015	13/08/2015	10%	18/09/2015	17/09/2022
3	2015-2016	23/03/2016	12%	28/04/2016	27/04/2023
4	2016-2017	13/03/2017	15%	18/04/2017	17/04/2024
5	2017-2018	31/03/2018	12%	22/04/2018	21/04/2025
6	2018-2019	30/09/2019	12%	05/11/2019	04/11/2026
7	2019-2020	30/09/2020	5%	05/11/2020	04/11/2027

Dividend for the year 2013-14 remaining unclaimed and unpaid will be transferred to IEPF during September 2021. Shareholders who are yet to encash their dividend warrants are requested to contact the Company or Cameo Corporate Services Limited, the Registrar at an early date and lodge their claims.

15. In addition to the above, the related shares would also be transferred to the IEPF, if the shareholder has not encashed any dividend during a period of seven consecutive years, for which notices have been sent to the concerned individuals. They are also requested to lodge their claims for unpaid dividend with the RTA immediately to avoid transfer of the dividend and the shares. As per the extant law, the shareholders are entitled to claim the unpaid dividends and the equity shares transferred to the IEPF for which they are required to submit the request online in Form IEPF-.
16. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and the holdings should be verified.
17. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the RTA through the web-link: <https://Investors.cameoindia.com>
18. SEBI vide Circular dated 20-04-2018 mandated the Company to collect copy of PAN and Bank account details from Members holding shares in physical form. Accordingly in July 2018 individual letters were sent to those shareholders whose PAN and Bank account details were not available with the Company followed by two reminders. In spite of this, many shareholders have not come forward to provide the information. Such shareholders are requested to provide the information at the earliest to the Company/ RTA.
- As per the Circular the shareholders who have not furnished the information have been placed under "enhanced watch" and so their requests will be processed subject to enhanced due diligence.
19. Pursuant to proviso to Regulation 40 (1) of the Listing Regulations, effective from 1st April 2019 transfer of securities other than transmission or transposition of names are not to be processed by the Company in physical form. So, shareholders desirous of transferring their shares are requested to dematerialize their shares.

20. Members may avail nomination facility in respect of their holdings. Those holding shares in physical mode may download the form available in the website of the Company and submit the same to the RTA. Those holding shares in demat form may approach their DP for registering the nominations.

21. The documents and information to be made available for inspection by the Members during the AGM will be provided electronically through the e-voting facility of CDSL.

## ANNEXURE TO THE NOTICE

### A. EXPLANATORY STATEMENT: Pursuant to Section 102 of the Companies Act, 2013:

#### ITEM NO. (3)

Details of Directors seeking Re-appointment at the forthcoming Annual General Meeting pursuant to Provisions of SEBI (LODR) Regulations 2015.

a	Name	Mr. V.J. Singh
b	Brief Resume	
	i Age	69 Yrs
	ii Qualification	MA Economics
	iii Experience in Specific Functional Area	Retired as Executive Director from Life Insurance Corporation of India
	iv Date of Appointment on the Board of the Company (BEARDELL LIMITED)	21/10/2019
c	Nature of Expertise in Specific Functional Area	Life Insurance & General Management
d	Name(s) of other Companies in which Directorships held (as per section 165 of the Companies Act, 2013)	Nil
e	Name(s) of Companies in which Committee Membership(s) / Chairmanship (s) Held	Nomination & Remuneration Committee, CSR Committee & Stakeholders Relationship Committee
f	No. of Shares of Rs.2/- each held by the	- Director - her Relatives - Total
		Nil Nil Nil
g	Relationship between Directors inter se (As per Section 2 (77) of the Companies Act, 2013)	N.A.

#### ITEM NO : 5

The special business relates to seeking members' approval for acceptance / renewal of unsecured deposits from shareholders. The Board of Directors, on 7th August, 2021 has approved the acceptance / renewal of unsecured deposits from shareholders subject to your approval. The Circular in Form DPT-1 inviting / accepting unsecured deposits from shareholders along with the rating assigned for our Fixed Deposit Programme by ICRA Limited is annexed.

None of the Directors of the Company is interested or concerned in the above resolution. The purpose for accepting / renewing unsecured deposits from Members is to fund the Company's projects and also to augment the working capital needs of the Company.

The Board of Directors recommends the above resolution for the shareholders approval.



# BEARSELL LIMITED

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ANNEXURE

## FORM DPT-1

### CIRCULAR OR CIRCULAR IN THE FORM OF ADVERTISEMENT INVITING DEPOSITS

{Pursuant to section 73(2)(a) and section 76 and rule 4(1) and 4(2)  
of the Companies (Acceptance of Deposits) Rules, 2014}

<b>1.</b>				
a.	Name, address, website and other contacts of the Company	<b>BEARSELL LIMITED</b> 47, Greams Road Chennai 600006. email: ho@beardsell.co.in web: www.beardsell.co.in		
b.	DETAIL OF INCORPORATION	<b>23rd November, 1936</b>		
c.	Business carried on by the company and its subsidiaries with the details of branches or units, if any;	The company is in the business of Manufacturing, Selling and Contracting activities in Expanded Polystyrene, Insulation and packaging material, Prefab Panels & Quikbuild construction panels, marketing of Electric Motors, Exports.		
	Subsidiary Company	Sarovar Insulation (P) Ltd., (Manufacture & Trading of EPS Products)		
	Manufacturing units	Chennai, Thane, Karad, Hyderabad, Malur and Hapor.		
	Branches and subsidiaries	Ahmedabad, Bangalore, Chennai, Coimbatore, Hyderabad, Kochi, Mumbai, New Delhi, Pune and Vizag. Wholly Owned Subsidiary: M/s Sarovar Insulation Pvt Ltd.		
d.	Brief particulars of the management of the company;	Company is Managed by Executive Director under direction, control and supervision of the Board of Directors of the Company.		
<b>e.</b>	<b>Names, addresses, DIN and occupation of the DIRECTORS</b>			
	<b>Name and Address</b>	<b>Designation</b>	<b>Occupation</b>	<b>Din Number</b>
	Mr. Amrith Anumolu Plot No.12, Park View Enclave, Road No.2, Banjara Hills, Hyderabad - 500 034	Executive Director	Industrialist	03044661
	Mrs. Jayasree Anumolu Plot No.12, Park View Enclave, Road No.2, Banjara Hills, Hyderabad - 500 034	Director	Industrialist	00845666
	Mr. R Gowri Shanker 4/241 M G R Salai, Palavakkam Chennai - 600 041	Director	Industrialist	00104597
	Mr. V J Singh 1/4, Teppakula Street, Subramaniapuram, Palayamkottai, Thirunelveli - 627 002	Director	Retired from LIC	03129164
	Mr. A V. Rammohan D-2 Ceebros Apts, 161, St. Mary's Road Raintree Hotel, Teynampet, Chennai - 600 018	Director	Industrialist	02093767
	Mr. Gurram Jagannatha Reddy House No.22, Old No.26, Anderson Road, Chennai - 600 006	Director	Doctor	07472109

## ANNEXURE

f.	Management's perception of risk factors;	Fluctuating raw material prices can have negative impact on operations. Major raw materials are: (a) Expanded Polystyrene (a petroleum derivative): Increase in petroleum prices impacts this raw material price. (b) Steel: The upward trend in the global steel market has pushed up the price of steel, a major Component in Isobuild Prefab Panels.
g.	Details of default, including the amount involved, duration of default and present status, in repayment of -	-
	i) Statutory Dues	-
	ii) debentures and interest thereon;	-
	iii) loan from any bank or financial institution and interest thereon;	-

<b>2.</b>									
a.	Date of passing board resolution;	7th August, 2021							
b.	Date of passing of resolution in the general meeting authorizing the invitation of such deposits;	15th September, 2021							
c.	Type of deposits, i.e., whether secured or unsecured;	Unsecured Deposits							
		(Rs. In Lakhs )							
		Public	Share Holders						
d.	Amount which the company can raise by way of deposits as per the Act and the rules made there under;	NIL	1396.36						
	Aggregate of deposits actually held on the last day immediately preceding financial year	0.54	278.71						
	Aggregate of deposits actually held on the date of issue of Circular or advertisement (as on 31/03/2021)	0.54	278.71						
	Amount of deposits proposed to be raised	-	500.00						
	Amount of Deposits repayable in Next Twelve months	0.54	176.23						
e.	Terms of raising of Deposits								
	<b>RATE OF INTEREST</b>	<b>PERIOD IN YEARS</b>	<b>Monthly Interest Scheme, Minimum Deposit Rs.10000/-</b>	<b>Quarterly Interest Scheme, Minimum Deposit Rs.5000/-</b>	<b>Cumulative Interest Scheme, Minimum Deposit Rs.5000/-</b>				
					<b>Maturity Value</b>	<b>Yield in %</b>			
					1	9.75 %	9.83 %	Rs.5509/-	10.20 %
					2	10.25 %	10.34 %	Rs.6132/-	11.32 %
		3	10.50 %	10.59 %	Rs.6842/-	12.28 %			
	Mode of payment and repayment	<b>Account Payee Cheque (or) Demand Draft</b>							
f.	Proposed time schedule mentioning the date of opening of the Scheme and time period for which the circular or advertisement is valid								
	Date of opening of the scheme	16th September, 2021							
	Validity of the circular or advertisement	Date of next AGM or 6 Months from the Close of Financial Year 2021 -2022							





# BEARDELL LIMITED

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g.	Reasons or objects of raising the deposits;	The Purpose of Unsecured Loans from Members is to fund the Development of ongoing projects and Augment long term working capital needs of the Company.
h.	Credit rating Obtained;	
	Name of the Credit Rating Agencies	ICRA LIMITED
	Meaning of the rating obtained	"MB+(STABLE)"
	Date on which rating was obtained	1st April, 2020
i.	Extent of deposit insurance	Not Applicable - Beardsell Limited Undertakes to Provide necessary Insurance Coverage once the Product is available in the Market
	Terms of the insurance coverage	
	Duration of coverage	
	Extent of coverage	
	Procedure for claim in case of default etc.	
j.	Short particulars of the charge created or to be created for securing such deposits, if any;	NOT APPLICABLE – As the deposits are unsecured
k.	Any financial or other material interest of the directors, promoters or key managerial personnel in such deposits and the effect of such interest in so far it is different from the interest of other persons.	None of the Directors, Key Managerial Personnel and their relatives are concerned or interested

<b>3</b>	<b>DETAILS OF ANY OUTSTANDING DEPOSITS</b>	
a.	Amount Outstanding (as on 31/03/2021)	Rs. 278.71 lakhs
b.	Date of Acceptance	At Different Dates
c.	Total Amount Accepted including renewals	Rs. 172,47,000
d.	Rate of Interest	AT DIFFERENT RATES
e.	Total of Number of Depositors	114 NOS
f.	Default, if any, in repayment of deposits and payment of interest thereon, if any, including number of depositors, amount and duration of default involved	NOT APPLICABLE
g.	Any waiver by depositors, of interest accrued on deposit	NOT APPLICABLE

<b>4</b>	<b>FINANCIAL POSITION OF THE COMPANY</b>	
	<b>A . Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of circular or advertisement</b>	(Rs. In Lakhs)
	<b>FOR THE YEAR ENDED</b>	<b>PROFIT / (LOSS) BEFORE TAX</b>
	<b>PROFIT / (LOSS) AFTER TAX</b>	
	31-03-2019	(46.81)
	31-03-2020	84.06
	31-03-2021	45.83
		(68.25)
		108.47
		(23.35)

	<b>B. Dividends Declared by the Company in Respect of the Said Three Financial Years : Interest Coverage Ratio for Last Three Years ( Cash Profit After Tax Plus Interest Paid or Interest Paid )</b>			
	<b>FOR THE YEAR ENDED</b>	<b>DIVIDEND DECLARED ( EQUITY ) RS. IN LAKHS</b>	<b>DIVIDEND DECLARED ( EQUITY ) (%)</b>	<b>INTEREST COVERAGE RATIO</b>
	31.03.2019 (INTERIM DIVIDEND)	67.44	12 %	0.901
	31.03.2020	28.10	5 %	1.166
	31.03.2021*	28.10	5 %	1.106

\* Subject to the approval of share holders in the ensuing Annual General Meeting.

## ANNEXURE

C. Summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of circular or advertisement <span style="float: right;">(Rs. In Lakhs )</span>				
	PARTICULARS	31.03.2021*	31.03.2020	31.03.2019
<b>A. EQUITY AND LIABILITIES</b>				
	Equity	<b>3989.62</b>	4055.28	4031.86
	Non Current Liabilities	<b>1515.67</b>	1001.16	791.20
	Current Liabilities	<b>5617.26</b>	5985.37	6543.24
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>11122.55</b>	<b>11041.81</b>	<b>11366.30</b>
<b>B. ASSETS</b>				
	Non – Current Assets	<b>4556.67</b>	4349.71	4239.02
	Current Assets	<b>6565.88</b>	6692.10	7127.28
	<b>TOTAL ASSETS</b>	<b>11122.55</b>	<b>11041.81</b>	11366.30
<b>D. Audited Cash Flow Statement for the three years immediately preceding the date of issue of circular or advertisement;</b>				
	PARTICULARS	31.03.2021*	31.03.2020	31.03.2019
	Cash Flow From Operating Activities	<b>1066.44</b>	1147.43	771.23
	Cash Flow From Investing Activities	<b>(202.19)</b>	51.47	(218.42)
	Cash Flow From Financing Activities	<b>(777.91)</b>	(1428.69)	(388.24)
	<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>86.34</b>	<b>(229.79)</b>	164.57
<b>E. Any change in accounting policies during the last three years and their effects on the profits and the reserves of the company;</b>		There is no change in Accounting Policies in the last three preceding financial years		
* Subject to the approval of share holders in the ensuing Annual General Meeting.				
<b>5. A DECLARATION BY THE DIRECTORS THAT -</b>				
a) the company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest thereon;				
b) the board of directors have satisfied themselves fully with respect to the affairs and prospects of the company and that they are of the opinion that having regard to the estimated future financial position of the company, the company will be able to meet its liabilities as and when they become due and that the company will not become insolvent within a period of one year from the date of issue of the circular or advertisement;				
c) the company has complied with the provisions of the Act and the rules made there under;				
d) the compliance with the Act and the rules does not imply that repayments of deposits is guaranteed by the Central Government;				
e) the deposits accepted by the company before the commencement of the Act will be repaid along with interest on the respective due dates and until they are repaid, they shall be treated as unsecured & ranking pari passu with other unsecured liabilities.				
f) In case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty.				
g) the deposits shall be used only for the purposes indicated in the circular or circular in the form of advertisement;				
h) the deposits accepted by the company (other than the secured deposits, if any, aggregate amount of which to be indicated) are unsecured and rank pari passu with other unsecured liabilities of the company.				
Note : The text of the Advertisement has been approved by the Board of Directors of the Company on 7th August, 2021 . A Copy of this Advertisement signed by a majority of the Directors of the Company will be filed with the Registrar of Companies, Chennai 600 006, Tamil Nadu as required by the Companies (Acceptance of Deposits) Rules, 2014 as amended.				

**This Advertisement is issued on the Authority and in the name of Board of Directors of the Company**

**(BY ORDER OF THE BOARD)**

**FOR BEARDSSELL LIMITED,  
Mr. K. Murali  
Company Secretary**

Place : Chennai  
Date : 7th August, 2021



### Guidance to Shareholders for Remote e-voting

- (i) The voting period begins at 9:00 AM on 12th September, 2021 and ends on 14th September 2021 at 5:00PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date viz., 8th September 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5 p.m. on 14th September 2021.
- (ii) For remote e-voting shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on "Shareholders" module.
- (iv) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (vii) If you are holding shares in demat mode and a first time user or if you are holding shares in Physical mode:
  - a) Enter the following details:  
Applicable for Shareholders holding shares in Demat form and Physical form:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.  If you have not updated the PAN with the Company / Depository Participant please use the sequence number which is available in the e-mail forwarding the Annual Report
Dividend Bank Details (or) Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  If both the details are not recorded with the Depository or Company please enter the member id / folio number as mentioned in instruction (iv).

- b) After entering these details appropriately, click on "SUBMIT" tab.
- c) Shareholders holding shares in physical form will then directly reach the Company selection screen. For shareholders holding shares in physical form, the details can be used only for e-voting on these solutions contained in this Notice.
- d) Shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (ix) Click on the EVSN for BeardSELL Limited (**EVSN No.:210820050**) and you will be directed to the e-voting screen.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, your option would have been recorded and you will not be allowed to modify it thereafter.
- (xiv) After completing the voting, you can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xvi) **SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE RTA OR DEPOSITORIES MAY USE THE WEBLINK OF THE RTA <https://investors.cameoindia.com> AND FOLLOW THE INSTRUCTIONS THEREIN. In case of any difficulty please contact the RTA.** Upon registration of the E-mail ID as above, the RTA will provide the login credentials for the e-voting when the notice of the AGM is sent based on this registration.

### GUIDANCE TO SHAREHOLDERS FOR ATTENDING THE AGM THROUGH VC/OAVM

1. As mentioned earlier, the AGM will be held through Video Conferencing (VC)

- /Other Audio Visual Means (OAVM).
2. Shareholder will be provided with a facility to attend the AGM through VC / OAVM through the CDSL e-Votingsystem. Shareholders may access the same at <https://www.evotingindia.com> under Shareholders/Members login by using the remote e-voting credentials. The link for VC/OAVM will be available upon Login where the EVSN of Company will be displayed.
3. Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. In other words, the window for joining the meeting would be available from 8:45 AM on the AGM day.
4. The facility of participation at the AGM through VC/OAVM will be made available to 1000 members on first come first served basis. This shall not apply to Shareholders holding 2% or more shares and other categories of persons mentioned in the relevant Circular.
5. The attendance of the Members participating in the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. Shareholders are encouraged to join the Meeting through Laptops / IPads / Desktops for better experience. Shareholders will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.
7. Please note that participants connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
8. Only those shareholders who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting. There is no provision for spot registration to speak at the meeting. Please refer to Sl.No. of the 8 Important Note in Page No.3 to register for speaking at the Meeting.
9. Shareholders are requested not to permit any other person to use their log-in credentials, as it would be a violation of the provisions of the Companies Act, 2013 and the Rules made there under.

### GUIDANCE TO SHAREHOLDERS FOR VOTING DURING THE AGM

1. The procedure for e-Voting on the day of the AGM is same as mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their votes on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. E-voting facility during the meeting will be available from the beginning of the Meeting till 5 minutes after the close of the meeting. Shareholders may, at their option, vote at any time during this period. The voting facility will be closed thereafter.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

### FOR THE ATTENTION OF NON - INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Non Individual shareholders who have voted from the tab for individuals or not submitted the relevant documents in the CDSL E-voting system are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote by email, to the Scrutinizers [fcssamal@gmail.com](mailto:fcssamal@gmail.com) or to the Company at [cs@beardsell.co.in](mailto:cs@beardsell.co.in)

### CONTACT FOR FURTHER INFORMATION

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

## REPORT OF BOARD OF DIRECTORS

Your Directors present the 84th Annual Report of the Company together with the Audited Accounts for the Financial Year ended 31.03.2021.

## PERFORMANCE / OPERATIONS

### FINANCIAL RESULTS

(Rs. In Lakhs)

	Year Ended 31.03.2021	Year Ended 31.03.2020
Gross Revenue	12166.00	14010.00
Profit before Interest & Depreciation	961.00	1088.00
Finance Cost	430.00	506.00
Profit before Depreciation	531.00	581.00
Depreciation	485.00	497.00
Profit / (Loss) before tax	46.00	153.00
Profit / (Loss) after taxation	(23.00)	108.00
Surplus in Statement of Profit & Loss Account from Last Year	2448.00	2424.00
Re-measurement Gain / (Loss) on Defined Benefit obligation (Net)	(14.00)	(3.00)
Total Comprehensive Income / (Loss) for the Year	(38.00)	105.00
<b>Appropriations</b>		
Dividend on Equity Shares	28.00	67.00
Tax on Dividend	0	14.00
Surplus carried to Balance Sheet	2383.00	2448.00

### DIVIDEND

The Board of Directors wishes to inform the shareholders that the Dividend at the rate of Re.0.10 (5 percent) per share is proposed to be paid as Dividend for the year ended 31st March, 2021 to those share holders whose name appears in the Register of Members on 8th September, 2021 subject to approval of share holders in the ensuing Annual General Meeting.

### Impact of COVID-19 pandemic situation on the Company

COVID-19, though started as a regional disturbance has global ramifications. The spread of the Virus has severely impacted businesses world-over. Almost all business operations have been disrupted severely due to lock downs, restrictions in transportation, supply chain disturbances, travel bans, social distancing and other emergency measures. Production of various products of the Company restarted in phases from the first week of April 2020, duly following the Government guidelines. The situation is being monitored closely and suitable actions taken based on exigencies and regulatory requirement to ensure smooth functioning of the plants and offices. Specifically, the Company followed the guidelines of the Government for safe restart and also strictly adheres to the standard operating procedures prescribed for the operations, such as social distancing, temperature checking and other precautions like wearing of masks, etc

## Consolidated Financial Statements

In accordance with the Indian Accounting Standard (Ind AS-21) on Consolidated Financial Statements, the audited consolidated financial statement is provided in the Annual Report.

### CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of business.

**Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of the report:** Nil

**Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future:** Nil

**Details in respect of adequacy of internal financial controls with reference to the Financial Statements:**

Adequate internal financial controls are in place and they are working effectively and efficiently.

**Details of Associate Companies:** Nil

### DETAILS OF WHOLLY OWNED SUBSIDIARY :

M/s. Sarovar Insulation Pvt Ltd a wholly owned Subsidiary of our Company with effect from 29/02/2016 is engaged in the manufacture and processing of EPS products at Coimbatore, Tamil Nadu.

### FIXED DEPOSITS

(a)	Accepted During the year	Rs. 1,72,47,000/-
(b)	Remained Unpaid or unclaimed as at the end of the year	Rs. 54,000/-
(c)	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	There was no default in repayment of deposits or payment of interest thereon.
	At the beginning of the year	NIL
	Maximum during the year	NIL
	At the End of the year	NIL
	The details of Deposits which are not in compliance with the requirements of Chapter V of the Act	NIL



# BEARDESELL LIMITED

CIN NO :L65991TN1936PLC001428

## Unsecured Loans form Directors

The company has accepted Unsecured loans from the following Directors which is outstanding as on 31st March, 2021.

Rs. in Lakhs

S.No	Name of the Directors	Loan amount
1	Mrs. A. Jayasree	375.00
2	Mr. Amrith Anumolu	8.00
3	Mr. Bharat Anumolu (Resigned on 03/06/2019)	72.75
4	Mr. V.J. Singh	7.00
	<b>Total</b>	<b>462.75</b>

## STATUTORY AUDITORS

Messrs. S.R. Batliboi & Associates, LLP, Chartered Accountants, Chennai (ICAI Registration Number of the firm is 101049W/E300004) were appointed as Statutory Auditors of our Company in our Eightieth Annual General Meeting held on 14th September 2017 and they hold office till the conclusion of our Eighty Fifth Annual General Meeting on a remuneration as the Board of Directors of the Company may determine, in addition to travelling and out of pocket expenses.

Remuneration of Auditors: Rs.23.10 Lakhs

For Subsidiary Company: Sarovar Insulation Pvt Ltd

Remuneration of Auditors: Rs.0.59 Lakhs

There are no qualifications or adverse remarks in the Statutory Audit Report which require any explanation from the Board of Directors.

## INTERNAL AUDITORS

M/s. M.R. Ravichandran & Co, Chartered Accountants, Chennai are the Internal Auditors of the Company.

## INTERNAL FINANCIAL CONTROLS

The Company has well defined and adequate internal controls and procedures, commensurate with its size and the nature of its operations. This is further strengthened by the Internal Audit done concurrently.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information Under Section 134 (3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and forming part of Directors Report for the year ended 31st March 2021.

## RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND CONSERVATION OF ENERGY

The main focus of the Company's Research and Development effort is on Energy Conservation, process up gradation and environmental preservation.

Better utility of Resources, to minimize cost & wastage. Continuous efforts are on to reduce wastage in use of Power and Fuel.

## EXTRACT OF THE ANNUAL RETURN

The Extract of the Annual Return is not annexed to this report and is available in our website [www.beardsell.co.in](http://www.beardsell.co.in) as per notification effective from 31st July, 2018.

## COST AUDITOR

Mr M. Krishnaswamy, Practicing Cost Accountant, Chennai (FCMA No.5944) appointed as Cost Auditor for the financial year 2021-22 with the consent of the Central Government for the Audit of Cost Accounts maintained by the Company.

## BOARD OF DIRECTORS AND RELATED DISCLOSURES As on the date of the Report the Board comprises of 6 Directors

( including one women director ) of whom Two are independent director. All the Independent Directors have furnished necessary declaration under Section 149 (7) of the Act and under Regulation 25(8) of the Regulations. As per the said declarations, they meet the criteria of independence as provided in Section 149 (6) of the Act and the Regulations. All of them have confirmed that they have registered themselves with the Indian Institute of Corporate Affairs under Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended.

The Independent Director registration details are as below:

S.No	Name of the Director	Registration Number
1	Mr. A.V. Rammohan	IDDB-DI-202002-009300
2	Mr. Gurram Jagannatha Reddy	IDDB-PA-202002-011945

The Board met eight times during the year under review and the relevant details are furnished in the Corporate Governance Report (CGR)

The following changes took place during the year and the changes in the Key Managerial Persons and in the Composition of the Board Since the Last Annual General Meeting.

## APPOINTMENT

Mr. V J Singh (DIN: 03129164) retires by rotation and being eligible, has offered herself for re-appointment.

## APPOINTMENT / CESSATION OF KEY MANAGERIAL PERSONS

### RESIGNATION

Ms.T.Anantha Jothi resigned as Company Secretary on 30.04.2021. The Board placed on record the services rendered by her during her tenure as Company Secretary.

## APPOINTMENT

Mr. Krishnamurthy Murali, (M No. ACS. 20089) was

appointed as the whole time Company Secretary and Compliance Officer of the company with effect from 01.05.2021, as per the provisions of section 203 of Companies Act 2013 and Rule 8 and Rule 8A of Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014, Details are available on the website of the Company at <https://www.beardsell.co.in>.

In terms of the provisions of Sections 2(51) and 203 of the Companies Act 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Amrith Anumolu, Executive Director, Mr. V V Sridharan, Chief Financial Officer (CFO), and Mr. Krishnamurthy Murali, Company Secretary (CS), are the Key Managerial Personnel of the Company.

### REMUNERATION POLICY OF THE COMPANY

The remuneration policy of the Company comprising the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters has been hosted in our website [www.beardsell.co.in](http://www.beardsell.co.in)

### DECLARATION BY INDEPENDENT DIRECTORS:

The declaration by Independent Directors has been placed in our website [www.beardsell.co.in](http://www.beardsell.co.in)

### FORMAL ANNUAL EVALUATION

The Board members and the Committee members performed their functions as required by the Companies Act 2013 and as per the regulatory framework of Securities and Exchange Board of India.

The evaluation of the individual directors, including the independent directors was done taking into account their qualification, experience, competency, knowledge, understanding of their respective roles (as a Director, Independent Director and as a member of the Committees of which they are Members/Chairpersons), adherence to Codes and ethics, conduct, attendance and participation in the meetings, etc.

The Board of Directors individually and as a whole has been formally evaluated by the Independent Directors at their meeting held on 6th March 2021.

### AUDIT COMMITTEE

As on the date of the Report The Audit Committee of the Board consists 2 "Independent Directors" and One "Non – Independent Director" as members having adequate financial and accounting knowledge. The details are furnished under the Corporate Governance Report (CGR) annexed to this Report. All the recommendations of the Committee were accepted by the Board.

During the financial year 2020-21 Four Audit Committee

Meetings were held on 29/06/2020, 19/08/2020, 12/11/2020 and 12/02/2021

### VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company has established a vigil mechanism for directors and employees to report genuine concerns and the same is hosted in our website [www.beardsell.co.in](http://www.beardsell.co.in)

### SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place a Sexual Harassment Policy in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress the complaints received in connection with the sexual harassment in any form.

All employees (permanent, contractual, temporary, trainees) are covered under this policy.

- a. No. of complaints filed during the financial year - NIL
- b. No. of complaints disposed of during the financial year - NIL
- c. No. of complaints pending as on end of financial year - NIL

### CORPORATE SOCIAL RESPONSIBILITY REPORTING (CSR)

CSR Reporting forms part of this Report. During the financial year 2020-21, one Committee meeting was held on 6th March 2021. The details are furnished under the Corporate Governance Report (CGR) annexed to this Report

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT 2013

(i) Loans	: NIL
(ii) Guarantees	: Rs. 200.00 Lakhs
(iii) Investments	: Rs. 536.88 Lakhs

### SECRETARIAL AUDITOR AND REPORT

A Secretarial Audit Report Form No.MR.3 for Financial year 2020 - 21, is annexed herewith, as **Annexure** to this Board's Report given by Mr. Rabindra Kumar Samal, Practicing Company Secretaries, Chennai.

Mr. Rabindra Kumar Samal Practicing Company Secretary (FCS7649 and COP-18278), was appointed for three years from 2020-21 to 2022-23.

A Certificate from our practicing Company Secretary that none of the Directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate affairs or any such statutory authority is annexed to this Board's Report.

There are no qualifications or adverse remarks in the Secretarial Audit Report which require any explanation from



the Board of Directors

## **PRACTICING COMPANY SECRETARIES CERTIFICATE ON CORPORATE GOVERNANCE**

Mr. Rabindra Kumar Samal, Practicing Company Secretary, Chennai, has given a certificate regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and the same is annexed to this report

## **RISK MANAGEMENT POLICY**

The Company has developed and implemented a risk management policy including identification therein the elements of risk which in the opinion of the Board may threaten the existence of the company.

## **EMPLOYEE RELATIONS**

The relations between the employees and management continued to be cordial during the year

## **Directors' Responsibility Statement**

Pursuant to the requirement of sub-sections 3 (c) and 5 of Section 134 of the Act it is hereby confirmed that

- (a) in the preparation of the annual accounts for the financial year ended 31st March 2021, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- (c) the Directors had taken proper and sufficient care for the

maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- (d) the Directors had prepared the accounts for the financial year ended 31st March 2021 on a "going concern" basis.
- (e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

## **CORPORATE GOVERNANCE**

Your Directors report that your Company has been fully compliant with the SEBI LODR Regulations on Corporate Governance. A detailed report on this forms part of Annexure.

## **ACKNOWLEDGMENT**

Your Directors gratefully acknowledge the continued support received from the Bankers, Principals/Suppliers, Customers and Employees.

For and on behalf of the Board

A.V. Rammohan  
Director

Chennai  
7th August, 2021

Amrith Anumolu  
Executive Director

## Related party transactions

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Form No. AOC-2: (Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014).

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

Details of contracts or arrangements or transactions not at arm's length basis	:	Nil
<i>Details of material contracts or arrangements or transactions at arm's length basis:</i>	:	
1) Name of the related party and nature of relationship	:	<b>Gunnam Subba Rao Insulation Pvt Ltd.,</b>
i. Nature of contracts/arrangements/transactions	:	Lease of land and buildings to Beardsell Ltd
ii. Duration of contracts/arrangements/transactions	:	On Going
		Rs. In Lakhs
iii. Salient terms of contract including value	:	Lease Rentals 48.00 per Annum
iv. Date of Approval if any	:	29th June 2020
v. Amount Paid as advances if any	:	NIL

Details of contracts or arrangements or transactions not at arm's length basis	:	Nil
<i>Details of material contracts or arrangements or transactions at arm's length basis:</i>	:	
1) Name of the related party and nature of relationship	:	<b>Korean Painting and Plating Private Limited</b>
i. Nature of contracts/arrangements/transactions	:	Lease of open space of land by Beardsell Ltd
ii. Duration of contracts/arrangements/transactions	:	On Going
		Rs. In Lakhs
iii. Salient terms of contract including value	:	Lease Rentals 4.08 per Annum
iv. Date of Approval if any	:	29th June 2020
v. Amount Paid as advances if any	:	NIL

Details of contracts or arrangements or transactions not at arm's length basis	:	Nil
<i>Details of material contracts or arrangements or transactions at arm's length basis:</i>	:	
1) Name of the related party and nature of relationship	:	<b>Gunnam Subba Rao Insulation Pvt. Ltd.</b>
i. Nature of contracts/arrangements/transactions	:	Lease of Commercial Vehicle to Beardsell Ltd
ii. Duration of contracts/arrangements/transactions	:	On Going
		Rs. In Lakhs
iii. Salient terms of contract including value	:	Lease Rentals 0.30 per Annum
iv. Date of Approval if any	:	29th June 2020
v. Amount Paid as advances if any	:	NIL





## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

### BOARD'S REPORT FOR THE YEAR ENDED 31/03/2021 PARTICULARS OF EMPLOYEES:

(A) Information as per Section 197 (12) read with Rule 5 (1) of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:

- (i) The ratio of Remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Name of the Director	Ratio
Mr. Amrith Anumolu	8.28

The median remuneration of the employees of the company during the Financial Year 2020-21 was Rs. 4,26,742/-.

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year: NIL
- (iii) The percentage increase in the median remuneration of employees in the financial year: NIL
- (iv) The number of permanent employees on the rolls of the company: 195

- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: NIL

- (vi) Affirmation that the remuneration is as per the remuneration policy of the company:

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

### (B) Information as per section 197 (12) read with Rule 5 (2) and 5(3) of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:

- (i) None of the employee was in receipt of remuneration for the financial year 2020-21, which, in aggregate, was not less than sixty lakh rupees; and
- (ii) None of the employee who was employed for a part of the financial year 2020-21 was in receipt of remuneration for any part of the financial year 2020-21, at a rate, which, in the aggregate, was not less than five lakh rupees per month.

## MANAGEMENT DISCUSSIONS AND ANALYSIS

### Industry Structure & Development

The prefab building elements manufactured by your Company finds applications in cold Storages, Food Processing Plants, Pharmaceuticals and Roofing applications. Expanded Polystyrene has varied applications in insulation and packaging. SteilWallz panels finds applications in construction of low cost housing.

Your Company also undertakes Contracts with in-house/outsourced materials.

### Outlook on Opportunities and Threat

With increased industrial construction and retail business activities and Government of India's thrust and encouraging policies on cold storages with latest technologies for Improving post harvest infrastructure, there is likely to be increase in demand for your Company's products.

Fluctuating raw material prices can have negative impact on operations. Major raw materials are:

- a) Expanded Polystyrene (a petroleum derivative): Increase in petroleum prices impacts this raw material price.

- b) Steel: The upward trend in the global steel market has pushed up the price of steel, A major component in isobuild Prefab Panels.

### Segment Wise Performance

Insulation division which comprises manufacture of EPS Products/ Prefab Panels and related Contracting activities earned a revenue of Rs. 10978.00 Lakhs 91.00 % of the total revenue.

Trading and other Segments which comprises Motors and Exports earned a revenue of Rs.1085.00 Lakhs 9.00 % of the total revenue.

### Internal Control System

Your Company has an effective internal Control System and this is periodically reviewed for effectiveness. The Board of Directors have constituted on Audit Committee.

The Audit Committee reviews the Internal Audit reports and their observations at regular intervals.

### Material Development in Human Resources

Your Company believes that human resources are the main assets of the Company. And the Company's Policy is framed in this direction.

## ANNEXURE

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2021

## 1. COMPANY'S PHILOSOPHY :

The Company strives towards ensuring transparency and professionalism in all decisions and spheres of operation, achieving excellence in Corporate Governance by conforming to the prevalent mandatory guidelines on Corporate Governance and to enhance shareholder value through sound business decisions driving the organisation forward without undue restraints along with prudent framework of accountability and financial management.

## 2. BOARD OF DIRECTORS

## a) Composition

The information on Composition of the Board, Directors Attendance at the Board Meetings held during the year and at the last Annual General Meeting, Directorships and Committee position held in other Companies are as under:

## INFORMATION ON BOARD OF DIRECTORS AND ATTENDANCE #

Sl. No.	Name of Directors	Category of Directorship	No. of Equity Shares held	No. of Board Meetings		No. of other Directorship*	No. of other Committee****		Attendance of last AGM
				Held	Attended		Member	Chairman	
1	Mr. R. Gowri Shanker	Chairman & Non Executive, Non - Independent Director	7170	8	8	5	3	0	YES
2	Mr. Amrith Anumolu	Executive Director		8	8	0	3	1	YES
3	Mr. V.J. Singh	Non Executive - Non Independent Director		8	6	0	4	0	YES
4	Mrs. Jayasree Anumolu	Non Executive - Non Independent Director	9091614	8	5	1	2	1	NO
5	Mr. Gurram Jagannatha Reddy	Non Executive - Independent Director		8	6	0	4	2	YES
6	Mr. A.V. Ram Mohan	Non Executive - Independent Director		8	8	1	3	1	YES

## b) Number of Board Meetings held during the year and dates of Meeting:

During the Financial Year 2020-2021, eight Board Meetings were held on 12/05/2020, 27/05/2020, 29/06/2020, 06/08/2020, 19/08/2020, 12/11/2020, 12/02/2021 and 06/03/2021.

## 3. AUDIT COMMITTEE

## I Terms of Reference

The role, terms of reference and authority and powers of this committee are in conformity with the Listing Agreement. The essential functions of the committee include review of systems and procedures, overseeing the functioning of internal audit, the effectiveness of controls and regulatory compliances. It also reviews with management, Company's financial statements, and financial reporting process, disclosure of financial information and observations of auditors before submission to the Board. It recommends the appointment of statutory auditors and their fees.

## II Composition and attendance

## Audit Committee Meeting

The Audit Committee of the Board of Directors of the Company was constituted in compliance with provisions of Section 177 of the Companies Act, 2013 ("the Act") and in compliance with Regulation 18 of SEBI (LODR) Regulations, 2015.

Out of the total Three Members of the Audit Committee, Two were Independent Directors and all the members have relevant finance exposure. The Committee was chaired by an Independent Director.



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During the financial year 2020-21 Four Audit Committee Meetings were held on 29/06/2020, 19/08/2020, 12/11/2020 and 12/02/2021

Sl. No	Member	Designation	No. of meetings attended
1	Mr. A.V. Ram Mohan	Chairman & Non Executive Independent Director	4
2	Mr. R. Gowri Shanker	Non Executive, Non - Independent Director	4
3	Mr. Amirth Anumolu*	Executive Director	1
4	Mr. V.J. Singh*	Non Executive, Non - Independent Director	1
5	Mr. Gurram Jeganatha Reddy	Non Executive - Independent Director	3

\* The audit committee was reconstituted during the year with the following members: Mr. A.V. Rammohan, Mr. R. Gowri Shanker and Mr. Gurram Jagannatha Reddy.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The Company is having a Nomination and Remuneration Committee in line with the amended Listing Agreement, which is responsible for all matters concerning appointment and recommending the remuneration payable to Directors. The Committee comprises Mr. V. J. Singh, Mr Gurram Jagannatha Reddy, Mrs. A. Jayasree and Mr AV Ram Mohan.

During the financial year 2020-21 One Committee meeting was held on 27th March 2021 .

Sl. No	Directors	Designation	No of meetings attended
1	Mr. Gurram Jeganatha Reddy	Chairman & Independent Non Executive Director	1
2	Mrs. Jayasree Anumolu	Non Executive Director	1
3	Mr. A.V. Ram Mohan	Independent Non Executive Director	1
4	Mr. V.J. Singh	Non Executive Director	1

#### a) SITTING FEES PAID TO DIRECTORS FOR THE FINANCIAL YEAR 2020-2021

(Rs. In Lakhs)

Sl. No	Directors	Sitting Fees
1	Mr. R. Gowri Shanker	2.10
2	Mr. Amrith Anumolu	1.65
3	Mrs. Anumolu Jayasree	0.90
4	Mr. A.V. Ram Mohan	2.25
5	Mr. V.J. Singh	1.50
6	Mr. Gurram Jeganatha Reddy	2.10
	<b>TOTAL</b>	<b>10.50</b>

#### b) REMUNERATION PAID TO WHOLE TIME DIRECTORS

(Rs. in Lakhs)

Sl. No	Name	Salary	Perquisites and Allowances	Commission*	Contribution to Provident Fund and Super Annuation Funds	Total
1	Mr. Amrith Anumolu	28.80	1.72	-	4.86	35.38

\* Board has not recommended commission to whole time directors for the year 2020-21.

**5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

During the financial year 2020-21 One Committee meeting was held on 6th March, 2021 .

**CSR COMMITTEE COMPRISES OF THE FOLLOWING DIRECTORS :**

S.No	Member	Designation	No. of meetings attended
1	Mr. Amrith Anumolu	Executive Director	1
2	Mrs. Jayasree Anumolu	Non Executive Director	0
3	Mr. Gurram Jeganatha Reddy	Non Executive Independent, Director	1
4	Mr. V.J. Singh	Non Executive Director	1

**6. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Company is having a Stakeholders Relationship Committee in line with the amended Listing Agreement, which is responsible for all matters concerning the share transfers, transmissions, issue of duplicate Share Certificates and redressal of Investor's Grievances. The Committee comprises Mr. R. Gowri Shanker, Mr V J Singh and Mr. Amrith Anumolu, Mr. Gurram Jeganatha Reddy.

Mr K Murali, Company Secretary, is the Compliance Officer.

**Details of number of complaints received and redressed during the year are given below:**

Opening Balance	Received during the Financial Year 2020-21	Resolved during the Financial Year 2020-21	Closing Balance
NIL	NIL	NIL	NIL

**7. ANNUAL GENERAL MEETINGS****i) Details of the last three Annual General Meetings of the Company are given below:**

Financial Year	AGM	Location	Date	Time
2019-20	83rd	Video Conferencing (VC) / Other Audio Visual Means (OAVM)	30/09/2020	10.00 A.M.
2018-19	82nd	Hindustan Chamber of Commerce, HC Kothari Memorial Hall, "GreemsDugar", South Wing, 5th Floor, 149 Greems Road, Chennai - 600006	30/09/2019	10.00 A.M.
2017-18	81st	Narada Gana Sabha, 314, TTK Salai, Chennai-600018	29/09/2018	10.00 A.M.

**ii) Special Resolution passed in the three Annual General Meeting:**

Year	Date	Special Resolution Considered
2019-2020	30/09/2020	-
2018-2019	30/09/2019	2
2017-2018	29/09/2017	-

**8. SEBI (Prohibition of Insider Trading) Regulations 1992**

The Company has framed a Code of Conduct for Prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 1992. This code is applicable to all Directors / officers (including Statutory Auditors) / designated employees. The code ensures the prevention of dealing in Company's shares by persons having access to unpublished price sensitive information and available on our Company's website [www.beardsell.co.in](http://www.beardsell.co.in)

**9. DISCLOSURE**

a) There were no materially significant related party transactions with Directors promoters / management which had potential conflict with the interests of the Company at large.



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- b) Periodical disclosures from Senior Management relating to all material financial and commercial transactions, where they had or were deemed to have had personal interest, that might have had a potential conflict with the interest of the Company at large were placed before the Board.
- c) The Company has followed the Guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.
- d) During the year under review, the Company has not raised any funds from public issue, rights issue or preferential issue.
- e) During the last three years, there were no strictures or penalties imposed on the Company either by Stock Exchanges or by SEBI or any statutory authority for non-compliance on any matter related to capital markets.
- f) Vigil Mechanism Policy and affirmation that no personnel have been denied to the Audit Committee:  
The Company has established a Vigil mechanism Policy. No personnel have been denied access to the Audit Committee.

## 10. CODE OF CONDUCT

The Board has laid-down a "Code of Conduct" (Code) for all the Board members and the senior management of the Company and the Code is posted on the website of the Company [www.beardsell.co.in](http://www.beardsell.co.in). Annual declaration regarding compliance with the Code is obtained from every person covered by the Code of Conduct. A declaration to this effect signed by the Executive Director is forming part of this report.

## 11. COMPLIANCE WITH CORPORATE GOVERNANCE NORMS

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has submitted the compliance report in the prescribed format to the stock exchanges for the quarters ended June 30, 2020, September 30, 2020, December 31, 2020 and March 31, 2021.

The Practicing Company Secretary has certified that the Company has complied with the conditions of corporate governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said certificate is annexed to this Report and will be forwarded to the Stock Exchanges and the Registrar of Companies, Tamilnadu, Chennai, along with the Annual Report.

## 12. CEO/CFO CERTIFICATION

The Board has received certificate from Executive Director and Chief Financial Officer that they have discharged the obligations under the Corporate Governance Guideline prescribed by SEBI.

## 13. MEANS OF COMMUNICATION

In compliance with the requirements of Listing Agreements, Company regularly submits un-audited as well as audited financial results to the Stock Exchange. These financial results are normally published in Trinity Mirror English and Makkal Kural Tamil.

## 14. GENERAL SHARE HOLDERS INFORMATION

### a) General Body Meeting

The 84th Annual General Meeting of the Company will be held on 15th September 2021 at 10.00 A.M through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

### b) Financial Calendar

The Next Financial Year covers the period from 1st April, 2021 to 31st March, 2022.

Results for the Period	Expected date of Completion
First Quarter	August, 2021
Second Quarter & Half-Yearly	November, 2021
Third Quarter	February, 2022
Fourth Quarter	May, 2022

### c) Date of Book Closure and Record Date

Book Closure : 9th September, 2021 to 15th September, 2021 (both days inclusive).  
Record Date : 8th September, 2021.

- d) Dividend on Equity Shares : @ Re.0.10 per Share (5 percent)  
Payment Date : Payable on or before 14th October 2021.

## e) (i) Shareholding Pattern as on 31st March, 2021

	Category	No. of Shares Holders	No. of Shares Held	Percentage Of Share Holding
<b>A</b>	<b>Promoter And Promoters Holding</b>			
	a. Individuals	3	12892908	45.88
	b. Central Government and State Government	-	-	-
	c. Bodies Corporate	2	4339069	15.44
	d. Foreign Promoters	-	-	-
	<b>Total Share Holding of Promoter And Promoters Group</b>	<b>5</b>	<b>17231977</b>	<b>61.32</b>
<b>B</b>	<b>Public Share Holding</b>			
	<b>1. INSTITUTIONS</b>			
	a. Mutual Funds	-	-	-
	b. Venture Capital Funds	-	-	-
	c. Alternative Investment Funds	-	-	-
	d. Foreign Venture Capital Investors	-	-	-
	e. Foreign Portfolio Investors	-	-	-
	f. Financial Institutions / banks	6	24240	0.09
	g. Insurance Companies	-	-	-
	h. Provident Funds / Pension Funds	-	-	-
	i. Any other	-	-	-
	<b>Central Government / State Government (s)</b>	1	108000	0.38
	j. Market Maker	-	-	-
	<b>SUBTOTAL (B) (1)</b>	<b>7</b>	<b>132240</b>	<b>0.47</b>
	<b>2. Central Government / State Government President of India</b>	-	-	-
	<b>3. NON INSTITUTIONS</b>			
	a. INDIVIDUALS			
	I. Individual Share holders holding Nominal Share Capital up to Rs.2.00 Lakhs	5191	5080215	18.08
	II. Individual Share holders holding Nominal Share Capital in excess of Rs.2.00 Lakhs	11	4502577	16.02
	b. NBFCs Registered with RBI	-	-	-
	c. EMPLOYEE TRUSTS	-	-	-
	d. Overseas Depositories (holding DRs) (balancing figure)	-	-	-
	e. ANY OTHER	-	-	-
	Bodies Corporates	41	647978	2.31
	Clearing Members	14	44965	0.16
	Foreign Nationals	-	-	-
	Hindu Undivided Families	122	378364	1.35
	Non Resident Indians-non-Repatriate	11	15735	0.06
	Non Resident Indians-Repatriate	40	64957	0.23
	Trust	-	-	-
	<b>SUBTOTAL (B) (3)</b>	<b>5430</b>	<b>10734791</b>	<b>38.21</b>
	<b>TOTAL = B(1)+B(2)+B(3)</b>	<b>5437</b>	<b>10867031</b>	<b>38.68</b>
	<b>GRAND TOTAL</b>	<b>5442</b>	<b>28099008</b>	<b>100.00</b>

## (ii) DISTRIBUTION OF HOLDINGS AS ON 31ST MARCH, 2021

No. of Shares	Shareholders		Share Amount	
	Nos.	% Total Number of Shares	In Rs.	% to Total Share Amount
Up to 5000	5254	96.54	6028388	10.73
5001 to 10000	94	1.73	1336878	2.38
10001 to 20000	46	0.85	1300698	2.31
20001 to 30000	10	0.18	530936	0.95
30001 to 40000	8	0.15	545592	0.97
40001 to 50000	2	0.03	189996	0.34
50001 to 100000	9	0.17	1247970	2.22
100001 & above	19	0.35	45017558	80.10
<b>TOTAL</b>	<b>5442</b>	<b>100.00</b>	<b>56198016</b>	<b>100.00</b>



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## f) Share Transfer Systems

The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of the Company's shares. The ISIN No., allotted is INE520H01022. Members now have the option to hold their shares in demat form either through the NSDL or CDSL.

g) Dematerialisation of Shares as on 31st March, 2021 - 2,56,40,114 shares (91.24%) have been dematerialised.

## h) Registrar and Share Transfer Agents

Cameo Corporate Services Limited, Chennai is the Registrar and Share Transfer Agent of the Company.

### Address of the Share Transfer Agent:

The General Manager

M/s Cameo Corporate Services Limited

Subramanian Building, No. 1, Club House Road, Chennai - 600 002.

Tel: (044) 28460390-91. e-mail: cameo@cameoindia.com

## i) Listing On Stock Exchange

The shares of the Company are listed in National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai - 400 051 and BSE Limited, Floor 25, PJ Towers, Dalal Street, Mumbai - 400 001.

Listing fees has been paid up-to-date.

**Stock Code in NSE: "BEARDELL" .**  
**SCRIP Code in BSE: "539447"**

## j) Market Price Data:

Monthly High / Low & Closing Prices during each month in the financial year 2020-2021.

Month	NATIONAL STOCK EXCHANGE OF INDIA LIMITED				BSE LIMITED			
	High Rs.	Low Rs.	Closing Rs.	Volume Traded Nos	High Rs.	Low Rs.	Closing Rs.	Volume Traded Nos
<b>Equity Share Value Rs.2/- per Share</b>								
April 2020	7.75	5.80	6.30	129613	7.40	6.16	6.48	5895
May 2020	10.40	5.80	8.60	141524	1.55	6.00	9.20	52108
June 2020	-	-	-	-	10.29	8.00	8.37	10238
July 2020	-	-	-	-	8.61	7.25	7.87	71387
August 2020	9.65	7.30	8.80	413658	8.33	7.25	8.33	858278
September 2020	10.10	8.65	9.05	115619	10.10	7.56	8.08	30677
October 2020	-	-	-	-	8.66	7.55	8.10	25661
November 2020	9.85	8.00	8.25	164745	9.11	8.21	8.25	4734
December 2020	11.95	8.00	9.60	1210214	11.85	8.05	9.73	246742
January 2021	10.55	8.85	9.35	412218	10.89	8.62	9.28	41310
February 2021	10.85	9.00	9.55	231733	10.94	8.50	9.50	47221
March 2021	11.00	9.00	9.80	484462	11.00	8.58	9.26	57654

## k) Address For Correspondence

Registered Office:

Secretarial Department

BEARDELL LTD

47, Greams Road,

Chennai-600006

Tel: (044) 28293296

Email: ho@beardsell.co.in

## l) Company Plant Locations :

- D-40, TTC Industrial Area, Thane Belapur Road, Turbhe P.O. Navi Mumbai - 400 705, Maharashtra.
- S.No.154/1-B, Govindamedu Village, Killachery (P.O & Panchayat) Mappedu, Thiruvallur District - 631 402, Tamil Nadu.

- 466E/470, Bonthapally Village, Gummadidala (M) Sanga Reddy District - 502 313, Telangana.
- B-113/1, M.I.D.C, Tasawade, P.O.Umbaraj, Karad, Taluka Karad, District, Satara Maharashtra - 415 019.

**m) e-mail ID for redressal of investor complaints:**

An e-mail id has been created for Redressal grievance division / Compliance officer exclusively for the purpose of registering the complaints of the investors. Investors may send their complaints to [igrc@beardsell.co.in](mailto:igrc@beardsell.co.in)

**COMPLIANCE**

Company has obtained a certificate from Practicing Company Secretaries regarding compliance of conditions of Corporate Governance as stipulated under the Provisions of SEBI (LODR) Regulations 2015, which is attached to this report.

For and on behalf of the Board

Amrith Anumolu  
Executive Director

Chennai  
7th August, 2021

A.V. Rammohan  
Director

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)  
ACTIVITIES FOR THE FINANCIAL YEAR 2020-21**

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and the projects or programs and the composition of the CSR Committee.	The Company's focus on CSR is towards providing quality education for needy and poor children
2	Average Net Profit of the Company for the last three years.	Rs. 48.95 Lacs
3	Prescribed CSR expenditure (two percent of the amount mentioned in item No.2 above).	Rs. 0.98 Lacs
4	Details of CSR spend during the financial year. Total amount to be spent for the financial year.	Rs. 0.98 Lacs
5	Amount actually spent.	Rs. 4.65 Lacs
6	Manner in which amount spent during the financial year.	Details given below

S.No.	CSR Project or Activity Identified	Sector in which the project is covered	Area Where programme undertaken	Amount of Outlay (Rs in Lacs)	Amount Spent (Rs. in Lacs)	Cumulative expenditure upto the reporting period (FY 2020-21)	Amount Spent Direct or implementing agency
1	Kilachery Panchayat, Thiruvallur District, Tamilnadu	Water Pipeline to the Village	Thiruvallur	1.50	1.50	1.50	Direct by Company
2	Kilachery Panchayat, Thiruvallur District, Tamilnadu	Water Pipeline to the Village	Thiruvallur	0.15	0.15	0.15	Direct by Company
3	Rotary Club of Madras Charitable Trust	To help in education and medical facilities to the needy persons	Chennai	3.00	3.00	3.00	Implementing Agency
	<b>Total</b>			<b>4.65</b>	<b>4.65</b>	<b>4.65</b>	

**RESPONSIBILITY STATEMENT**

The Responsibility Statement of the Corporate Social Responsibility and Governance (CSR&G) Committee of the Board of Directors of the Company is reproduced below:

“The implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with CSR objectives’.

A.V. Rammohan  
Non Executive Director

Amrith Anumolu  
Executive Director





**FORM NO. MR.3**  
**Secretarial Audit Report for the Financial Year Ended March 31, 2021**  
**(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014)**

To,  
The Members,  
Beardsell Limited  
47, Greams Road,  
Chennai – 600006

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed website and other records made available to us and maintained by the Company for the Financial Year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed thereunder
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments from time to time;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the audit period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the audit period)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the audit period)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**
- (vi) In our opinion and as identified as informed by the management, the Company has adequate systems to monitor and ensure compliance (including the process of renewal /fresh/pending applications with government authorities), the following laws are specifically applicable to the company.
  1. The Indian Boilers Act, 1923 and rules made thereunder.
  2. The Petroleum Act, 1934 and rules and regulations made thereunder.
  3. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
  4. Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975.
  5. Air (Prevention and Control of Pollution) Act, 1981 and the rules and standards made thereunder.
  6. Environment Protection Act, 1986 and the rules, notifications issued thereunder.
  7. The Legal Metrology Act, 2009 and rules made thereunder.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments from time to time.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. There was unintentional delay due to issues caused by Covid-19 Pandemic and medical emergency of compliance officer relating to related party transactions under Regulation 23 (9) of SEBI (LODR) Regulation, 2015. The stock exchanges levied penalty and on the request of the company the said penalties were waived.

# SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2020

2. There was disclosed in delay the requirement under Regulation 7 of SEBI (Prohibition of Insider Trading) Regulation, 2015 regarding Mr. Anumolu Bharat sale 6,59,611 Equity shares upto 31st December, 2020 to the Stock Exchanges. Further the Company could not able to received Disclosures for 1111 Sale of shares of Mr. Anumolu Bharat and the same has been in advertently missed out in the disclosing to the Stock exchange.
3. Filing of various forms and returns with Registrar of Companies in the prescribed time or within the extended time with payment of additional fees under Companies Act, 2013.

## We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least

seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision was carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

**We further report that** during the Audit period no events have occurred, which has major bearing on the Company's affairs.

Chennai  
August 7, 2021

Rabindra Kumar Samal  
Practicing Company Secretary  
FCS No.:7649 CP No.: 18278

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## UDIN- F007649C000753108

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

The Members  
**BEARSELL LIMITED**  
47, Greames Road  
Chennai - 600 006

Our report of even date is to be read along with this letter.

1. Maintenance of statutory and other records are the responsibility of the management of the Company. Our responsibility is to express an opinion on these records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of Accounts of the Company. We have relied on the report of the Statutory Auditor in respect of the same as per the guidance of the Institute of Company Secretaries of India.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The Company is following a system of obtaining reports from various departments to ensure compliance with applicable laws.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Chennai  
August 7, 2021

Rabindra Kumar Samal  
Practicing Company Secretary  
FCS No.:7649 CP No.: 18278



# BEARSELL LIMITED

CIN NO :L65991TN1936PLC001428

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To  
The Members  
Beardsell Limited  
47, Greams Road  
Chennai – 600 006

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. Beardsell Limited** having CIN: L65991TN1936PLC001428 and having registered office at 47, Greams Road, Chennai – 600006 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (**DIN**) status at the portal **www.mca.gov.in**) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No	Name of Director	DIN	Date of appointment in Company*
1	Mr. Amrith Anumolu	03044661	12.08.2010
2	Mr. Anumolu Jayashree	00845666	31.03.2015
3	Mr. Gurram Jagannatha Reddy	07472109	28.06.2019
4	Mr. Gowrishanker Ramasamy	00104597	21.10.2019
5	Mr. Rammohan Anappathur Vanchi	02093767	21.10.2019
6	Mr. Jeyapaul Singh	03129164	21.10.2019

\*The date of appointment is as per the MCA Portal.

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

Chennai  
August 7, 2021

Rabindra Kumar Samal  
Practicing Company Secretary  
FCS No.:7649 CP No.: 18278  
UDIN- F007649C000753053

## Certificate on Corporate Governance

To  
The Members  
Beardsell Limited  
47, Greams Road  
Chennai – 600 006

We have examined the compliance on the conditions of Corporate Governance by **Beardsell Limited ('the Company')** for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'SEBI Listing Regulations'**).

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended March 31, 2021.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Chennai  
August 07, 2021

Rabindra Kumar Samal  
Practicing Company Secretary  
FCS No.:7649 CP No.: 18278  
UDIN- F007649C000753053

## Declaration on Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for the Board of Directors and Senior Management of the Company. The same is available on the website of the Company as [www.beardsell.co.in](http://www.beardsell.co.in). As Executive Director of Beardsell Limited and as required as per Provisions of SEBI (LODR) Regulations 2015, I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the Financial Year 2020 -2021 .

Chennai  
August 7, 2021

Amrith Anumolu  
Executive Director

## TEN YEAR RECORD

(Rs. in Lakhs)

	Year ended 31st March									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	<b>2021</b>
Income	9643.04	9609.92	10704.20	13202.42	15122.88	18060.02	15158.90	17119.39	14010.44	<b>12166.50</b>
Profit before Depreciation	514.22	685.26	424.88	299.28	835.68	1449.02	359.36	283.46	650.64	<b>530.90</b>
Depreciation	163.48	179.33	222.52	304.50	322.33	337.12	319.11	330.27	497.23	<b>485.07</b>
Taxation - Current	116.00	121.65	4.70	0.00	155.00	412.00	18.57	22.58	200.00	<b>163.70</b>
- Deferred	(0.51)	90.23	68.54	4.61	29.82	8.70	(42.98)	(1.14)	(155.06)	<b>-94.52</b>
Profit / (Loss) after Tax	235.25	294.05	129.12	(9.83)	328.53	691.20	64.66	(68.25)	108.47	<b>-23.35</b>
Dividend	46.83	46.83	46.83	46.83	56.20	70.25	67.44	-	67.44	<b>28.10</b>
Tax on Dividend	7.61	7.96	7.96	9.53	11.44	14.30	13.73	-	13.86	<b>0</b>
Retained Funds	180.81	239.26	74.33	(66.19)	260.89	606.65	(16.51)	(68.25)	27.17	<b>-23.35</b>
Share Capital	468.32	468.32	468.32	468.32	468.32	468.32	561.98	561.98	561.98	<b>561.98</b>
Earnings per Share (Rs.)	5.02	6.28	2.76	(0.21)	7.02	2.46	0.23	(0.24)	0.39	<b>-0.08</b>
Net Worth	3011.70	3250.96	3325.29	3253.32	3514.21	4108.72	4110.06	4031.86	4055.28	<b>3989.62</b>
Book Value per Share (Rs.)	64.31	69.42	71.00	69.47	75.04	17.55	14.63	14.35	14.43	<b>14.20</b>



## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone financial statements of Beardsell Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Emphasis of Matter

We draw attention to Note 2.2 of the Standalone financial statements which describes the continuing impact of Covid-19 pandemic, and its possible consequential implications, if any, on the Company's operations and the carrying value of its assets as at March 31, 2021. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone financial statements.

**INDEPENDENT AUDITOR'S REPORT**  
**To the Members of**  
**Beardsell Limited**

Key audit matters	How our audit addressed the key audit matter
<p><b><u>Appropriateness of timing of Revenue recognition</u></b> (as described in Note 2.3.h of the Standalone Ind AS financial statements)</p>	
<p>The Company has revenue from sale of products from multiple locations geographically spread across India and it currently has a decentralized accounting system. Revenue is recognized based on the accounting policies disclosed in the note 2.3.h to the Standalone financial statements.</p> <p>As part of our overall response to the risk of fraud, when identifying and assessing the risks of material misstatement due to fraud, we evaluate the revenue transactions that might give rise to potential fraud risks. Bonus payouts for employees are determined based various metrics including the financial performance of each location. Hence, we consider there to be a risk of misstatement of the financial statements related to transactions occurring close to the year end, as such transactions could be recorded in the incorrect financial year.</p> <p>In view of the above discussed matters, appropriateness of timing of revenue recognition has been considered as a key audit matter.</p>	<p>In order to address the risk of misstatement related to timing of revenue recognition, our audit response included the following:</p> <ul style="list-style-type: none"> <li>• We read and assessed that the accounting policy for recognition of revenue is in compliance with Ind AS 115</li> <li>• We understood the Company's revenue process across all product segments in each location, to gain an understanding of revenue recognition process including the design and implementation of controls to address the relevant risks in relation to revenue recognition and tested the operating effectiveness of these controls.</li> <li>• We read on a sample basis, the terms of the Company's contracts with customers to determine the timing of transfer of control and the timing of revenue recognition in respect of such contracts and performing sample tests of individual sales transactions with purchase orders / contracts issued by customers and sales invoices raised by the Company.</li> <li>• We performed analytical review procedures to identify any unusual trends close to year end to decide the nature and extent of our testing at each location.</li> <li>• We performed location-wise testing for sales made near the reporting date including considerations due to closure of operations on account of COVID-19 to assess whether the revenue was recognized in the appropriate period with reference to shipping records, sales invoices etc., for sample transactions.</li> </ul>



Key audit matters	How our audit addressed the key audit matter
<b>Physical verification of Inventories</b> (as described in Note 2.3.g of the Standalone Ind AS financial statements)	
<p>Total Inventory of Rs 1,245.03 lakhs which represents 11.19% of total assets of the Company as at March 31, 2021. Inventory is held across 6 factories and 9 branches as at the reporting date.</p> <p>Considering the number of locations and the level of inventory held across its factories and branches, the criticality of inventory physical verification to the Company's financial reporting processes as well as the conducting of physical verification of inventory at these locations on different dates due to COVID-19 and consequential lockdown restrictions, this is a significant area of audit importance. Accordingly, the above issue has been considered as a key audit matter.</p>	<p>Our audit response consisted of audit procedures includes the following:</p> <ul style="list-style-type: none"> <li>• We understood the Company's process for establishing the existence of inventories including the design and implementation of monthly controls in relation to physical verification of inventories performed by management at various locations and tested the operating effectiveness of such controls.</li> <li>• We observed the physical verification of Inventory conducted by management in certain significant locations selected by us. Our procedures in this regard included <ul style="list-style-type: none"> <li>- Inquiring that the stock count instructions were sent by management to appropriate personnel in the relevant location and steps taken by management to ascertain the existence inventory on the date of the count (including identification of non-moving, obsolete / damaged inventory);</li> <li>- Performing independent inventory counts on sample basis and reconciling the same to the management counts;</li> <li>- On a sample basis, testing the reconciliation of the differences in inventory quantity between the physical count and the books of accounts, including accounting of such variances basis management approval; and</li> <li>- Performing roll-forward or roll-backward procedures on sample basis (as applicable) from date of count to the reporting date as the physical verification of inventory was undertaken by management on different dates across various locations during the year in line with the guidance issued by Institute of Chartered Accountants of India ("ICAI") on key audit considerations amid COVID-19.</li> </ul> </li> <li>• We performed analytical reviews of purchases and inventory during the audit period to identify any unusual trends for further testing.</li> <li>• On a sample basis, we performed tests of purchase and sales transactions made near the reporting date to assess whether transactions are recorded in the correct period by testing shipping records, sales / purchase invoices (as applicable).</li> </ul>

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the

audit or otherwise appears to be materially misstated. When we read the, if we conclude that there is a material misstatement there in, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 Company's ability 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 Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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





on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer Note 49b to the Standalone financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Nature of amount	Amount involved	Due date	Transfer date
Unclaimed dividend relating to financial year 2012-13	218,132	December 31, 2020	June 30, 2021

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Place of Signature: Chennai

Date: June 30, 2021

**per Aravind K**

Partner

Membership Number: 221268

UDIN: 21221268AAAADV2631

# Annexure 1 to the Independent Auditor's Report

## Annexure 1 referred to under paragraph 1 of the Report on Other Legal and Regulatory Requirements of the Auditors' Report

Re: Beardsell Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment property.
- (b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are pledged with the bank and not available with the Company. The same has been independently confirmed by the bank.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of investments made and guarantee given have been complied with by the company.
- (v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, to the extent applicable, have been complied with, except for delay in filing return of public deposits with registrar as required under rule 16

of the Companies (Acceptance of Deposits) Rules, 2014 (as amended). We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal, Reserve Bank of India or any Court or any other Tribunal.

- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Plastics and Polymers, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, cess and other statutory dues although there have been slight delays in few cases in respect of provident fund. With respect to the undisputed goods and services tax, employees' state insurance and income tax, the dues have not been regularly deposited with appropriate authorities and there have been serious delays in large number of cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)*	Period to which the amount relates	Forum where Dispute is pending
Sales Tax Acts of various States	Sales Tax	15.01	1995-96, 2000-01, 2001-02, 2003-04, 2015-16.	Deputy Commissioner, Assistant Commissioner and other appellate authorities
Central Sales Tax Act, 1956	Central Sales Tax	536.01	1995-96, 2003-04, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2016-17	High Court, Deputy Commissioner and Commercial Tax Officer of various states

\* Net of Rs.1.92 Lakhs sales tax and Rs.58.15 lakhs central sales tax paid under protest.

- (viii) In our opinion and according to information and explanations given by the management, the Company has not defaulted in repayment of dues to a bank during the year. The Company did not have any outstanding loans or borrowing dues in respect of a



financial institution or to government or dues to debenture holders during the year.

- (ix) In our opinion and according to the information and explanations given by the management and audit procedures performed by us, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of

Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Aravind K**

Partner

Membership Number: 221268

UDIN:21221268AAAADV2631

Place of Signature: Chennai

Date: June 30, 2021

**Annexure 2**  
**to the independent**  
**auditor's report of even date on the**  
**Standalone Financial Statements**

**Report on the Internal Financial Controls 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 Beardsell Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements**

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, 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 with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Aravind K**

Partner

Place of Signature: Chennai

Membership Number: 221268

Date: June 30, 2021

UDIN: 21221268AAAADV2631



# BEARDELL LIMITED

CIN No : L65991TN1936PLC001428

Standalone Balance Sheet as at March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Note No.	As at	As at
		March 31, 2021	March 31, 2020
(Rs. in Lakhs)			
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	3a	2,707.48	2,832.89
Capital work in progress	3a	50.50	111.54
Intangible assets	3b	61.13	81.51
Right-of-use assets	48	651.76	780.67
<b>Financial assets</b>			
Investments in subsidiaries	4	29.68	27.93
Investments in controlled entity	4	462.15	112.15
Other investments	4	45.05	50.09
Loans	5	22.16	7.56
Trade receivables	6	34.82	24.78
Bank balances other than cash and cash equivalents	7	280.40	180.11
Others	8	123.04	103.86
Non-current tax assets (net)	9	21.09	25.29
Deferred tax assets (net)	23	66.57	-
Other non-current assets	10	0.84	11.33
		<b>4,556.67</b>	<b>4,349.71</b>
<b>Current assets</b>			
Inventories	11	1,245.03	1,094.97
<b>Financial assets</b>			
Trade receivables	12	3,627.91	3,868.12
Cash and cash equivalents	13	148.85	62.51
Bank balances other than cash and cash equivalents	14	73.34	72.06
Loans	15	23.15	19.42
Others	16	55.11	143.16
Other current assets	17	1,392.49	1,431.86
		<b>6,565.88</b>	<b>6,692.10</b>
<b>Total assets</b>		<b>11,122.55</b>	<b>11,041.81</b>
<b>EQUITY and LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	18	561.98	561.98
Other equity	19	3,427.64	3,493.30
<b>Total equity</b>		<b>3,989.62</b>	<b>4,055.28</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	20	1,290.79	634.66
Lease Liabilities	21	222.74	346.96
Other financial liabilities	22	2.14	3.43
Deferred tax liabilities (net)	23	-	16.11
		<b>1,515.67</b>	<b>1,001.16</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	24	1,045.27	1,803.98
Trade payables	25	-	-
Total outstanding dues of micro, small and medium enterprises		-	-
Total outstanding dues of creditors other than micro, small and medium enterprises		2,941.24	2,713.42
Lease liabilities	26	138.00	129.36
Other financial liabilities	27	670.57	534.23
Other current liabilities	28	597.40	531.31
Provisions	29	129.67	114.76
Current tax liabilities (net)	30	95.11	158.31
		<b>5,617.26</b>	<b>5,985.37</b>
<b>Total equity and liabilities</b>		<b>11,122.55</b>	<b>11,041.81</b>

Summary of significant accounting policies 2.3

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**per Aravind K**

Partner

Membership no.: 221268

Place : Chennai

For and on behalf of the Board of Directors

**Beardsell Limited**

**Amrith Anumolu**

Executive Director

DIN : 03044661

Place : Hyderabad

**V.V. Sridharan**

Chief Financial Officer

Place : Chennai

Date : June 30, 2021

**A.V. Ram Mohan**

Independent Director

DIN : 02093767

Place : Chennai

**K. Murali**

Company Secretary

Place : Chennai

Date : June 30, 2021

Date : June 30, 2021

**Standalone Statement of Profit and Loss  
for the year ended March 31, 2021**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
		(Rs. in Lakhs)	
<b>INCOME</b>			
Revenue from contracts with customers	31	12,062.84	13,895.46
Other Income	32	82.45	77.16
Finance Income	33	21.21	37.82
<b>Total Income</b>		<b>12,166.50</b>	<b>14,010.44</b>
<b>Expenses</b>			
Cost of raw material and components consumed	34	7,067.02	7,675.41
Purchase of traded goods	35	1,002.47	1,226.62
Changes in inventories of finished goods, work-in-progress and traded goods	36	21.29	(70.65)
Employee benefits expense	37	1,296.92	1,551.17
Depreciation and amortisation expense	38	485.07	497.23
Finance costs	39	429.92	506.32
Other expenses	40	1,817.98	2,540.28
<b>Total expenses</b>		<b>12,120.67</b>	<b>13,926.38</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>45.83</b>	<b>84.06</b>
Exceptional items	41	-	69.35
<b>Profit/(loss) before tax</b>		<b>45.83</b>	<b>153.41</b>
<b>Tax Expense</b>	44		
Current tax		130.50	200.00
Adjustment of tax relating to earlier periods		33.20	-
Deferred tax		(94.52)	(155.06)
<b>Total tax expense</b>		<b>69.18</b>	<b>44.94</b>
<b>Profit/(loss) for the year</b>		<b>(23.35)</b>	<b>108.47</b>
<b>Other comprehensive income (OCI)</b>	42		
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>			
Gain/(loss) on equity instruments through OCI		0.35	(0.69)
Income tax effect		(0.09)	0.17
Re-measurement gains / (losses) on defined benefit plans		(19.34)	(4.32)
Income tax effect		4.87	1.09
<b>Other comprehensive income for the year, net of tax</b>		<b>(14.21)</b>	<b>(3.75)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>(37.56)</b>	<b>104.72</b>
<b>Earnings Per Equity Share Rs. 2/- each fully paid (March 31, 2020: Rs. 2/- each fully paid)</b>	43		
Computed on the basis of total profit/(loss) for the year			
Basic (Rs.)		(0.08)	0.39
Diluted (Rs.)		(0.08)	0.39
Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004

**per Aravind K**  
Partner  
Membership no.: 221268  
Place : Chennai

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

**Amrith Anumolu**  
Executive Director  
DIN : 03044661  
Place : Hyderabad

**V.V. Sridharan**  
Chief Financial Officer  
Place : Chennai  
Date : June 30, 2021

**A.V. Ram Mohan**  
Independent Director  
DIN : 02093767  
Place : Chennai

**K. Murali**  
Company Secretary  
Place : Chennai  
Date : June 30, 2021

Date : June 30, 2021



# BEARDELL LIMITED

CIN No : L65991TN1936PLC001428

Standalone Statement of changes in Equity for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

## a. Equity Share Capital Equity Shares of Rs.2/- each issued, subscribed and fully paid up

	Number of shares	Rs. In Lakhs
<b>As at April 01, 2019</b>	<b>28,099,008</b>	<b>561.98</b>
Increase/(decrease) during the year	-	-
<b>At March 31, 2020</b>	<b>28,099,008</b>	<b>561.98</b>
Increase/(decrease) during the year	-	-
<b>At March 31, 2021</b>	<b>28,099,008</b>	<b>561.98</b>

## b. Other Equity

Particulars	Reserves and surplus			Items of OCI	Total other equity
	Securities premium (Note 19)	General Reserve (Note 19)	Retained Earnings (Note 19)	FVTOCI reserve (Note 19)	
<b>As at April 01, 2019</b>	<b>555.65</b>	<b>484.61</b>	<b>2,424.29</b>	<b>5.33</b>	<b>3,469.88</b>
Profit / (loss) for the year	-	-	108.47	-	108.47
Other Comprehensive Income (Note 42)	-	-	(3.23)	(0.52)	(3.75)
<b>Total Comprehensive Income</b>	<b>555.65</b>	<b>484.61</b>	<b>2,529.53</b>	<b>4.81</b>	<b>3,574.60</b>
Cash dividend (Including dividend distribution tax)	-	-	(81.30)	-	(81.30)
<b>As at March 31, 2020</b>	<b>555.65</b>	<b>484.61</b>	<b>2,448.23</b>	<b>4.81</b>	<b>3,493.30</b>
Profit / (loss) for the year	-	-	(23.35)	-	(23.35)
Other Comprehensive Income (Note 42)	-	-	(14.47)	0.26	(14.21)
<b>Total Comprehensive Income</b>	<b>555.65</b>	<b>484.61</b>	<b>2,410.41</b>	<b>5.07</b>	<b>3,455.74</b>
Cash dividend (Including dividend distribution tax)	-	-	(28.10)	-	(28.10)
<b>As at March 31, 2021</b>	<b>555.65</b>	<b>484.61</b>	<b>2,382.31</b>	<b>5.07</b>	<b>3,427.64</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

### For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

### per Aravind K

Partner

Membership no.: 221268

Place : Chennai

For and on behalf of the Board of Directors

**Beardsell Limited**

### Amrith Anumolu

Executive Director

DIN : 03044661

Place : Hyderabad

### V.V. Sridharan

Chief Financial Officer

Place : Chennai

### A.V. Ram Mohan

Independent Director

DIN : 02093767

Place : Chennai

### K. Murali

Company Secretary

Place : Chennai

Date : June 30, 2021

Date : June 30, 2021

Date : June 30, 2021

**Standalone Statement of Cash Flows  
for the year ended March 31, 2021**  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	(Rs. in Lakhs)	
<b>Cash flows from operating activities</b>		
<b>Profit/(loss) before exceptional items and tax</b>	<b>45.83</b>	<b>84.06</b>
Adjustments for:		
Depreciation and amortisation expense	485.07	497.23
Loss / (gain) on disposal of property, plant and equipment (net)	(5.12)	(7.52)
Dividend income	(0.02)	(0.02)
Finance income	(21.21)	(37.82)
Liabilities no longer required written back	(4.42)	(12.85)
Allowance for credit loss	81.45	474.12
Share of (profit)/loss from controlled entity	39.04	150.31
Finance costs	429.92	506.32
Net foreign exchange differences	(12.40)	(5.22)
<b>Operating profit before Working Capital changes</b>	<b>1,038.14</b>	<b>1,648.61</b>
<b>Movement in working capital:</b>		
(Increase) / Decrease in inventories	(150.06)	(95.03)
(Increase) / Decrease in current and non-current trade receivables	(240.32)	24.63
(Increase) / Decrease in financial and non-financial assets	50.17	(61.60)
(Increase) / Decrease in other assets	39.37	(275.22)
(Decrease) / Increase in trade payables	244.64	(2.61)
(Decrease) / Increase in financial, non-financial liabilities and provisions	290.58	(101.40)
<b>Cash generated from operations</b>	<b>1,272.52</b>	<b>1,137.38</b>
Income tax paid (net of refunds)	(206.08)	10.05
<b>Net cash flows from operating activities (A)</b>	<b>1,066.44</b>	<b>1,147.43</b>
<b>Cash flows (used in) / from investing activities</b>		
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(130.74)	(267.60)
Proceeds from sale of property, plant and equipment	10.76	31.11
Deposits made during the year	(165.29)	-
Proceeds from deposits during the year	65.00	48.64
Dividends received	0.02	0.02
Finance income received	18.06	34.30
<b>Net cash flows (used in) / from investing activities before exceptional items</b>	<b>(202.19)</b>	<b>(153.53)</b>
Cash flow from exceptional items (refer note 41)	-	205.00
<b>Net cash flow (used in) / from investing activities after exceptional items (B)</b>	<b>(202.19)</b>	<b>51.47</b>





# BEARDELL LIMITED

CIN : L65991TN1936PLC001428

Standalone Statement of Cash Flows for year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	(Rs. in Lakhs)	
<b>Net cash flows used in financing activities</b>		
Proceeds from long-term borrowings	953.90	293.18
Repayment of long-term borrowings	(382.70)	(188.22)
Proceeds/ repayment of short - term borrowings (net)	(761.17)	(808.58)
Dividend paid (including dividend distribution tax, where applicable)	(26.82)	(82.43)
Payment of principal portion of lease liabilities	(129.33)	(131.13)
Interest paid	(431.79)	(511.51)
<b>Net cash flows used in financing activities (C)</b>	<b>(777.91)</b>	<b>(1,428.69)</b>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	86.34	(229.79)
Cash and cash equivalents at the beginning of the year	62.51	292.30
<b>Cash and cash equivalents at the end of the year</b>	<b>148.85</b>	<b>62.51</b>
<b>Components of cash and cash equivalents</b> (Refer Note.13)		
Cash on hand	3.80	3.00
Balances with banks		
On current accounts	145.05	59.51
<b>Total cash and cash equivalents</b>	<b>148.85</b>	<b>62.51</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**per Aravind K**

Partner

Membership no.: 221268

Place : Chennai

Date : June 30, 2021

For and on behalf of the Board of Directors

**Beardsell Limited**

**Amrith Anumolu**

Executive Director

DIN : 03044661

Place : Hyderabad

**V.V. Sridharan**

Chief Financial Officer

Place : Chennai

Date : June 30, 2021

**A.V. Ram Mohan**

Independent Director

DIN : 02093767

Place : Chennai

**K. Murali**

Company Secretary

Place : Chennai

Date : June 30, 2021

## **1. Corporate information**

Beardsell Limited ("the Company") is a prominent manufacturer and supplier of Expanded Polystyrene products, popularly known as thermocole and Prefabricated Buildings that have wide industrial applications. The company also undertakes erection, commissioning and maintenance works in the field of hot and cold insulation solutions. The company has major manufacturing facilities in Thane, Chennai, Hyderabad, Karad, Malur and Hapur and branches with geographical spread across India. In addition, the company has trading operations in domestic and international market.

These standalone financial statements were authorised for issue in accordance with a resolution of the directors on June 30, 2021.

## **2. Significant accounting policies**

### **2.1. Basis of preparation**

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

The standalone financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities which have been measured at fair value (refer accounting policy regarding financial instruments)

The Standalone financial statements are presented in INR and all values are rounded off to the nearest lakhs, except when otherwise indicated.

### **2.2. Impact of COVID-19 Pandemic**

The Company has considered the possible effects that may result from the COVID-19 pandemic on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external information which are relevant in determining the expected future performance of the Company. The Company has evaluated its liquidity position, recoverability of such assets and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

### **2.3. Summary of significant accounting policies**

#### **a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii. Held primarily for the purpose of trading
- iii. Expected to be realised within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle
- ii. It is held primarily for the purpose of trading
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products/activities, the Company has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.

#### **b) Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use but excludes duties and taxes that are recoverable from tax authorities. Any trade discounts



# BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Standalone Financial Statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

and rebates are deducted in arriving at the purchase price.

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably

Material replacement cost is capitalized provided (a) it is probable that future economic benefits associated with the item will flow to the entity and (b) the cost of the item can be measured reliably. When replacement cost is eligible for capitalization, the carrying amount of those parts that are replaced in derecognized. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful life.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital Work-in-Progress: Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and attributable interest. Once it becomes available for use, their cost is re-classified to appropriate caption and subjected to depreciation.

## c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. 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. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

## d) Depreciation and amortisation

Depreciation & amortization is provided using the Straight-Line Method as per the useful lives of the assets estimated by the management:

Asset description	Useful Lives (Years)
<b>Property, plant and equipment</b>	
Plant & Machinery	5 - 15
Building	30 - 60
Computers	3
Vehicles	8 - 10
Office Equipment	5
Furniture and fittings	5 - 10

Leasehold assets are amortised using the straight-line method over the remainder of primary lease period.

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

Property, Plant and Equipment and Intangibles are depreciated / amortised based on their useful lives which are in line with Schedule II of Companies Act, 2013

## e) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**(i) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Asset description	Useful Lives (Years)
Plant & Machinery	5
Leasehold land & building on leasehold land	30 - 99
Building	1 - 5

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (f) Impairment of non-financial assets.

**(ii) Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**(iii) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of buildings, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Company as lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.



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## **Sale and lease back arrangements**

Profit or loss on sale and lease back arrangements resulting in operating leases is recognized immediately in case the transaction is established at fair value. If the sale price is below fair value, any profit or loss is recognised immediately except that, if the loss is compensated by future lease payments at below market price, it is deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over the fair value is deferred and amortized over the period for which the asset is expected to be used.

The sale and lease back arrangements entered in by the Company which result in operating lease wherever applicable are as per the standard commercial terms prevalent in the industry. The Company does not have an option to buy back the asset, nor does it have an unilateral option to renew or extend the lease after the expiry of the lease.

## **f) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment including impairment on inventories, are recognized in the statement of profit and loss. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

## **g) Inventories**

Raw materials and stores & spare parts are valued at lower of weighted average cost and estimated net realisable value. Cost includes freight, taxes and duties and is net of credit under GST, VAT, CENVAT scheme, where applicable.

Work-in-progress and finished goods are valued at lower of weighted average cost and estimated net realisable value. Cost includes all direct costs and appropriate proportion of overheads to bring the goods to the present location and condition.

Due allowance is made for slow/non-moving items. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of traded goods includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis.

**h) Revenue from contracts with customers and Other income**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

However, Goods and Service tax (GST) are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition Criteria described below must also be met before revenue is recognised.

**i. Sale of products/ goods**

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customers. The normal credit term is in the range of 30 to 90 days upon delivery except for some customers who are on advance payment terms. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

**ii. Service Income**

Revenue from rendering of services is recognized with reference to the stage of completion determined based on estimate of work performed, and when the outcome of the transaction can be estimated reliably.

**Contract balances**

**Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract assets are subject to impairment assessment. Refer to accounting policies of financial assets in section (s) Financial instruments – initial recognition and subsequent measurement.

**Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (s) Financial instruments – initial recognition and subsequent measurement.

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

**Cost to obtain a contract**

The Company pays sales commission to agents for obtaining the contract. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions because the amortisation period of the asset that the Company otherwise would have used is one year or less.



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### iii. Interest income

Revenue is recognised on a time proportion basis using the effective interest rate (EIR). Interest income is included in finance income in the statement of profit and loss.

### iv. Dividend income

Dividend income is accounted for when the right to receive it is established.

### v. Rental Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

### i) Foreign currency transactions

The financial statements are presented in Indian Rupees, which is the functional currency of the Company.

**Initial recognition:** Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date the transaction first qualifies for the recognition.

**Measurement as at Balance Sheet date:** Foreign currency monetary items of the Company outstanding at the Balance Sheet date are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**Treatment of Exchange Differences:** Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in profit or loss.

### j) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant or subsidy from the Government relates to an expense item, it is recognised as income on a systematic basis in the statement of profit and loss over the period necessary to match them with the related costs, which they are intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset, i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value of the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

### k) Research and development

Revenue expenditure on research and development is expensed when incurred. Capital expenditure on research and development is capitalised under Property, Plant and Equipment and depreciated in accordance with the entity's accounting policy on depreciation.

### l) Retirement and other employee benefits

Retirement benefit in the form of Provident Fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. There are no other obligations other than the contribution payable to the respective fund.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit method made at the end of each financial year.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest

on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated absences, which are expected to occur within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats compensated absences expected not to occur within twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

#### **m) Taxes**

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

#### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

#### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and written off to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.





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Deferred tax assets and deferred tax liabilities are offset if and only if it has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## **n) Provisions**

Provisions are recognized when an enterprise has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for warranty-related costs are recognized when the product is sold or service provided. Provision is estimated based on historical experience and technical estimates. The estimate of such warranty-related costs is reviewed annually.

## **o) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

## **p) Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM)

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

## **q) Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalisation of Borrowing Costs is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.

## **r) Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or

liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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:

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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.

#### **s) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial assets**

##### **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the 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.

##### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- i. Financial assets at amortised cost (debt instruments)
- ii. Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- iii. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- iv. Financial assets at fair value through profit or loss

##### **Financial assets at amortised cost (debt instruments)**

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.



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## Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

## Financial assets designated at fair value through OCI (Equity Instruments)

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

## Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

## De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's standalone balance sheet) when:

- i. The rights to receive cash flows from the asset have expired, or
- ii. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

## Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and Credit risk exposure:

- i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits,

- trade receivables and bank balance
- ii. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in Credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets, the Company determines that whether there has been a significant increase in the Credit risk since initial recognition. If Credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if Credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, Credit quality of the instrument improves such that there is no longer a significant increase in Credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected Credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. When estimating the cash flows, the Company is required to consider:

- i. All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument
- ii. Cash flows from the sale of collateral held or other Credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- i. Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off Criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in Credit risk and impairment loss, the Company combines financial instruments on the basis of shared Credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in Credit risk to be identified on a timely basis.

## **Financial liabilities**

### **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include loans and borrowings including bank overdrafts, financial guarantee contracts, trade and other payables.

### **Subsequent measurement**

#### **Financial liabilities at fair value through profit and loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded



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derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the Criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own Credit risks are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

## **Financial liabilities at amortised cost (Loans and borrowings)**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

## **Financial guarantee contracts**

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

## **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## **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

### **t) Derivative financial instruments**

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

### **u) Use of estimates**

The preparation of Standalone Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, like provision for employee benefits, provision for doubtful trade receivables/advances/contingencies, provision for warranties, allowance for slow/non-moving inventories, useful life of Property, Plant and Equipment, provision for taxation, etc., during and at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

### **v) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**w) Dividend**

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**x) Earnings Per Share (EPS)**

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

**y) Equity Investment in Subsidiaries and Controlled entities**

Investment in Subsidiaries and Controlled entities are carried at cost in the Separate Financial Statements as permitted under Ind AS 27.

**2.4 Changes in accounting policies and disclosures**

**New and amended standards and interpretations**

**(i). Amendments to Ind AS 116: Covid-19-Related Rent Concessions**

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019. This amendment had no material impact on the financial statements of the Company.

**(ii). Amendments to Ind AS 1 and Ind AS 8: Definition of Material**

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. This amendment had no impact on the financial statements of the Company.

**(iii). Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform**

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging

instrument. These amendments have no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1 April 2020. This amendment had no impact on the financial statements of the Company.

**Standards notified but not yet effective**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued Companies (Indian Accounting Standards) Amendment Rules, 2021 to amend Ind AS. These are consequential amendments due to Conceptual Framework for Financial Reporting under Ind AS and Interest Rate Benchmark Reform— Phase 2 (Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116) and COVID-19 Related Rent Concessions beyond June 30, 2021.

The above amendments are effective from June 18, 2021. The Company will apply these amendments to the extent applicable from the effective date. However, the Company's does not expect any effect due to these amendments on its standalone financial statements.



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## 3a Property, plant and equipment

Particulars	Freehold land	Buildings on Freehold Land	Plant and Equipment	Computer	Furniture, Fixtures & Office Equipment	Leasehold improvements	Vehicles	Total Property, Plant and equipment	Capital work-in-progress
<b>Gross block*</b>									
<b>As at April 01, 2019</b>	503.69	584.28	2,289.63	36.00	43.50	10.01	392.60	<b>3,859.71</b>	101.86
Additions	-	43.24	123.24	3.62	17.83	-	57.30	<b>245.23</b>	258.45
Disposals	-	-	(21.77)	-	-	-	(24.70)	<b>(46.47)</b>	-
Capitalisation	-	-	-	-	-	-	-	-	(248.77)
<b>As at March 31, 2020</b>	<b>503.69</b>	<b>627.52</b>	<b>2,391.10</b>	<b>39.62</b>	<b>61.33</b>	<b>10.01</b>	<b>425.20</b>	<b>4,058.47</b>	<b>111.54</b>
Additions	-	22.81	145.04	3.26	1.32	-	16.17	<b>188.60</b>	127.56
Disposals	-	-	(12.05)	-	(0.16)	-	(6.63)	<b>(18.84)</b>	-
Capitalisation	-	-	-	-	-	-	-	-	(188.60)
<b>As at March 31, 2021</b>	<b>503.69</b>	<b>650.33</b>	<b>2,524.09</b>	<b>42.88</b>	<b>62.49</b>	<b>10.01</b>	<b>434.74</b>	<b>4,228.23</b>	<b>50.50</b>
<b>Depreciation</b>									
<b>As at April 01, 2019</b>	-	81.58	638.56	30.07	25.76	2.15	159.96	<b>938.08</b>	-
Charge for the year	-	21.96	219.70	3.94	5.99	1.76	55.47	<b>308.82</b>	-
Disposals	-	-	(8.95)	-	-	-	(12.37)	<b>(21.32)</b>	-
<b>As at March 31, 2020</b>	-	<b>103.54</b>	<b>849.31</b>	<b>34.01</b>	<b>31.75</b>	<b>3.91</b>	<b>203.06</b>	<b>1,225.58</b>	-
Charge for the year	-	22.83	219.66	3.95	6.13	0.93	54.87	<b>308.37</b>	-
Disposals	-	-	(6.61)	-	(0.16)	-	(6.43)	<b>(13.20)</b>	-
<b>As at March 31, 2021</b>	-	<b>126.37</b>	<b>1,062.36</b>	<b>37.96</b>	<b>37.72</b>	<b>4.84</b>	<b>251.50</b>	<b>1,520.75</b>	-
<b>Net carrying value</b>									
<b>As at March 31, 2020</b>	<b>503.69</b>	<b>523.98</b>	<b>1,541.79</b>	<b>5.61</b>	<b>29.58</b>	<b>6.10</b>	<b>222.14</b>	<b>2,832.89</b>	<b>111.54</b>
<b>As at March 31, 2021</b>	<b>503.69</b>	<b>523.96</b>	<b>1,461.73</b>	<b>4.92</b>	<b>24.77</b>	<b>5.17</b>	<b>183.24</b>	<b>2,707.48</b>	<b>50.50</b>

\*On transition to Ind AS (i.e. 1 April 2016), the Company had elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

### (i) Charge on assets

The Rupee term loans from Bank of India are secured by equitable mortgage over the land and buildings there on at Karad (4.10 acres), Coimbatore (3.50 acres), Bonthapally (1.40 acres), Chennai-Thiruvallur (6.98 acres), Bihar (3.93 acres) and Thane (1.85 acres). The Company has deposited the original title deeds of all the above mentioned properties with the Bank. In addition to the above the Company has also hypothecated its Inventory and Trade receivables.

### (ii) Hire purchase arrangements

The carrying value of vehicles held under hire purchase contracts at March 31, 2021 was Rs.100.32 (March 31, 2020: Rs.107.28). Additions during the year include Rs.16.37 (March 31, 2020: Rs.57.30) of vehicles under hire purchase contracts. Assets under hire purchase contracts are hypothecated as security for the related hire purchase liabilities.



**Notes to Standalone Financial Statements  
for the year ended March 31, 2021**  
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**3b Intangible assets**

Particulars	Software	Total Intangible assets
<b><u>Gross block *</u></b>		
<b>As at April 01, 2019</b>	11.38	11.38
Additions	93.55	93.55
Disposals	-	-
<b>As at March 31, 2020</b>	<b>104.93</b>	<b>104.93</b>
Additions	2.30	2.30
Disposals	-	-
<b>As at March 31, 2021</b>	<b>107.23</b>	<b>107.23</b>
<b><u>Depreciation</u></b>		
<b>As at April 01, 2019</b>	<b>0.88</b>	<b>0.88</b>
Charge for the year	22.54	22.54
Disposals	-	-
<b>As at March 31, 2020</b>	<b>23.42</b>	<b>23.42</b>
Charge for the year	22.68	22.68
Disposals	-	-
<b>As at March 31, 2021</b>	<b>46.10</b>	<b>46.10</b>
<b><u>Net carrying value</u></b>		
<b>As at March 31, 2020</b>	<b>81.51</b>	<b>81.51</b>
<b>As at March 31, 2021</b>	<b>61.13</b>	<b>61.13</b>

\*On transition to Ind AS (i.e. 1 April 2016), the Company had elected to continue with the carrying value of all Intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of Intangible assets.



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<b>4 Non-current investments (fully paid up)</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>A Investment in subsidiaries</b> <i>(Unquoted equity instruments at cost)</i>		
- 20,100 (March 31, 2020: 20,100) equity shares of Rs.100 each fully paid up in Sarovar Insulation Private Limited*	29.68	27.93
<b>Total Investment in subsidiaries (A)</b>	<b>29.68</b>	<b>27.93</b>
<b>B Investment in controlled entity</b> <i>(Capital contribution at cost)</i>		
- Share of profits for the year ended March 31, 2021 : 100% (March 31, 2020 : 100%) in Saideep Polytherm	462.15	112.15
<b>Total Investment in controlled entity (B)</b>	<b>462.15</b>	<b>112.15</b>
<b>C Other investment</b> <i>(Unquoted equity instruments at fair value through OCI)</i>		
- 18,000 (March 31, 2020 - 18,000) equity shares of Rs.10/- each fully paid up in Hyderabad EPS Products Private Limited (At cost less provision for impairment allowance Rs.180,000 (March 31, 2020: Rs. 180,000))	-	-
- 5,300 (March 31, 2020 - 5,300) equity shares of Rs.100/- each fully paid up in Pink Packaging & Moulding Private Limited (At cost less provision for impairment allowance Rs.750,000 (March 31, 2020: Rs.750,000))	-	-
- 6,000 (March 31, 2020 - 6,000) equity shares of Rs.10/- each fully paid up in SuRe Energy Systems Private Limited	25.00	25.00
- 169,878 (March 31, 2020 - 214,878) equity shares of Rs.10/- each fully paid up in Frontline Power Corporation Limited	19.35	24.75
<b>Total of un-quoted equity instruments at fair value through OCI (i)</b>	<b>44.35</b>	<b>49.75</b>
<i>(Quoted equity instruments at fair value through OCI)</i>		
- 1,000 (March 31, 2020 : 1000) equity shares of Rs.2/- each fully paid up in Nava Bharat Ventures Limited	0.70	0.34
<b>Total of quoted equity instruments at fair value through OCI (ii)</b>	<b>0.70</b>	<b>0.34</b>
<b>Total other Investments (C=(i)+(ii))</b>	<b>45.05</b>	<b>50.09</b>
<b>Total Investments (A+B+C)</b>	<b>536.88</b>	<b>190.17</b>
Aggregate book value of quoted investments	1.49	1.49
Aggregate market value of quoted investment	0.70	0.34
Aggregate value of unquoted investments	53.65	59.05
Aggregate amount of impairment in value of investments	(9.30)	(9.30)

\* The investment in subsidiaries include fair value of the corporate guarantee for an amount of Rs.200 (March 31, 2020 - Rs.200) against the credit availed from DBS Bank.

Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity securities . These equity shares are designated as FVTOCI as they are not held for trading purpose and are not in similar line of business as the Company. Thus, disclosing their fair value fluctuation in profit or loss will not reflect the purpose of holding. Refer Note 53 for determination of their fair values.

## 5 Loans (non-current)

Loans to employees - secured, considered good	4.57	2.71
Loans to employees - unsecured, considered good	17.59	4.85
<b>Total</b>	<b>22.16</b>	<b>7.56</b>

Loans to employees are non-derivative financial assets which generate interest income for the Company. Vehicle loans to employees are secured by hypothecation of vehicles acquired out of the loan.

**Notes to Standalone Financial Statements  
for the year ended March 31, 2021**

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>6 Trade receivables</b> (non-current) (Unsecured, considered good unless otherwise stated)		
Trade receivables	<u>34.82</u>	<u>24.78</u>
<b>Total</b>	<b><u>34.82</u></b>	<b><u>24.78</u></b>
No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.		
<b>7 Bank balances other than cash and cash equivalents</b> (non-current) <b>In earmarked accounts</b>		
Balances held as margin money	<u>280.40</u>	<u>180.11</u>
<b>Total</b>	<b><u>280.40</u></b>	<b><u>180.11</u></b>
<b>8 Other non-current financial assets</b> (Unsecured, considered good unless otherwise stated)		
Security Deposits	<u>123.04</u>	<u>103.86</u>
<b>Total</b>	<b><u>123.04</u></b>	<b><u>103.86</u></b>
<b>9 Non-current tax assets (net)</b> (Unsecured, considered good unless otherwise stated)		
Advance income tax net of provision for tax	<u>21.09</u>	<u>25.29</u>
<b>Total</b>	<b><u>21.09</u></b>	<b><u>25.29</u></b>
<b>10 Other non-current assets</b> (Unsecured, considered good unless otherwise stated)		
Capital advances	<u>0.84</u>	<u>11.33</u>
<b>Total</b>	<b><u>0.84</u></b>	<b><u>11.33</u></b>
<b>11 Inventories</b> (Cost or net realisable value whichever is lower)		
Raw materials and packing materials	638.46	472.49
Work-in-progress	79.47	91.49
Finished goods	236.40	242.92
Stock-in-trade (acquired for trading)	215.87	218.62
Stores and spares	<u>74.83</u>	<u>69.45</u>
<b>Total</b>	<b><u>1,245.03</u></b>	<b><u>1,094.97</u></b>
During the year ended March 31, 2021: Rs.12.35 (March 31, 2020 : Rs.24.18) was recognised as an expense for inventories carried at net realisable value.		
<b>12 Trade Receivables</b> (Unsecured, considered good unless otherwise stated)		
Trade receivables	2,749.87	2,932.34
Receivables from related parties (refer note 47)	878.04	935.78
<b>Total trade receivables (net)</b>	<b>3,627.91</b>	<b>3,868.12</b>
<b>Trade receivables</b>		
Considered good	3,627.91	3,868.12
Significant increase in credit Risk	28.56	20.82
Credit impaired	808.56	730.08
<b>Total trade receivables</b>	<b>4,465.03</b>	<b>4,619.02</b>



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	March 31, 2021	March 31, 2020
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
Significant increase in credit Risk	(28.56)	(20.82)
Credit impaired	<u>(808.56)</u>	<u>(730.08)</u>
<b>Total impairment allowance</b>	<b><u>(837.12)</u></b>	<b><u>(750.90)</u></b>
<b>Total trade receivables (net)</b>	<b><u>3,627.91</u></b>	<b><u>3,868.12</u></b>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer note 47

Trade Receivables are non-interest bearing and generally have credit period ranging from 30 - 90 days.

### Reconciliation of Provision / Impairment for Receivables

Opening Balance as at beginning of the year	750.90	331.67
Created during the year (Net)	86.22	419.23
<b>Closing Balance as at end of the year</b>	<b><u>837.12</u></b>	<b><u>750.90</u></b>

### 13 Cash and cash equivalents

Balances with Banks		
On current accounts	145.05	59.51
Cash on hand	<u>3.80</u>	<u>3.00</u>
<b>Total</b>	<b><u>148.85</u></b>	<b><u>62.51</u></b>

As at 31st March 2021, the Company had undrawn committed borrowing facilities of Rs. 767.18 (31st March 2020 - Rs. 328.32).

### Changes in liabilities arising from financing activities

#### Year ended March 31, 2021

Particulars	As at March 31, 2020	Effect of reclassification	Cash inflows / (outflows)	As at March 31, 2021
<b>Non-current Financial liabilities - Borrowings</b>				
Indian Rupee loans from banks (Secured)	252.15	(341.20)	477.25	388.20
Obligations under hire purchase contracts (Secured)	30.21	(16.30)	13.84	27.75
Unsecured deposits from members - related parties (refer note 47)	20.00	(20.00)	-	-
Unsecured deposits from members - others	82.30	(3.66)	21.20	99.84
Unsecured inter corporate deposits	250.00	150.00	-	400.00
Unsecured loans and advances from related parties (refer note 47)	-	125.00	250.00	375.00
<b>Current Financial liabilities - Borrowings</b>				
Cash credit from banks (secured)	1,346.68	-	(508.86)	837.82
Unsecured inter corporate deposits	22.00	-	-	22.00
Unsecured loans and advances from related parties (refer note 47)	390.75	(125.00)	(178.00)	87.75
Unsecured deposits from members - related parties (refer note 47)	5.00	-	85.83	90.83
Unsecured deposits from members - others	39.55	-	(32.68)	6.87
<b>Current Financial liabilities - Other financial liabilities</b>				
Current maturities of long term borrowings	72.28	341.20	(105.02)	308.46
Current maturities of hire purchase loans	33.30	16.30	(19.79)	29.81
Current maturities of unsecured deposits from members				
- related parties (refer note 47)	80.18	20.00	(80.18)	20.00
Current maturities of unsecured deposits from members - others	68.61	3.66	(11.10)	61.17
Current maturities of unsecured inter corporate deposits	250.00	(150.00)	(100.00)	-
<b>Total</b>	<b>2,943.01</b>	<b>-</b>	<b>(187.51)</b>	<b>2,755.50</b>

**Year ended March 31, 2020**

Particulars	As at March 31, 2019	Effect of reclassification	Cash inflows / (outflows)	As at March 31, 2020
<b>Non-current Financial liabilities - Borrowings</b>				
Indian Rupee loans from banks (Secured)	286.56	(34.41)	-	252.15
Obligations under hire purchase contracts (Secured)	20.51	(36.21)	45.91	30.21
Unsecured deposits from members - related parties (refer note 47)	100.18	(80.18)	-	20.00
Unsecured deposits from members - others	122.45	(51.21)	11.06	82.30
Unsecured inter corporate deposits	-	250.00	-	250.00
<b>Current Financial liabilities - Borrowings</b>				
Cash credit from banks (secured)	1,853.35	-	(506.67)	1,346.68
Unsecured inter corporate deposits	542.00	(500.00)	(20.00)	22.00
Unsecured loans and advances from related parties (refer note 47)	377.83	-	12.92	390.75
Unsecured deposits from members - related parties (refer note 47)	5.00	-	-	5.00
Unsecured deposits from members - others	45.80	-	(6.25)	39.55
<b>Current Financial liabilities - Other financial liabilities</b>				
Current maturities of long term borrowings	137.65	34.41	(99.78)	72.28
Current maturities of hire purchase loans	42.89	36.21	(45.80)	33.30
Current maturities of unsecured deposits from members - related parties (refer note 47)	-	80.18	-	80.18
Current maturities of unsecured deposits from members - others	67.04	51.21	(49.64)	68.61
Current maturities of unsecured inter corporate deposits	-	250.00	-	250.00
<b>Total</b>	<b>3,601.26</b>	<b>-</b>	<b>(658.25)</b>	<b>2,943.01</b>

**14 Bank Balances other than cash and cash equivalents**

**In earmarked accounts**

Unclaimed dividend accounts*	19.84	18.56
Others (refer note below)#	53.50	53.50
<b>Total</b>	<b>73.34</b>	<b>72.06</b>

\* There are restrictions on the bank balances held in unpaid dividend accounts.

# Other earmarked accounts represent fixed deposits made in pursuance of Rule 13 of the Companies (Acceptance of Deposits) Rules 2014.

**15 Loans (Current)**

(Unsecured, considered good unless stated otherwise)

Loans to employees - secured	2.45	1.36
Loans to employees - Unsecured	20.70	18.06
<b>Total</b>	<b>23.15</b>	<b>19.42</b>

Loans to employees are non-derivative financial assets which generate interest income for the Company. Vehicle loans to employees are secured by hypothecation of vehicles acquired out of the loan.

**16 Other current financial assets**

(Unsecured, considered good unless stated otherwise)

Security deposits	53.53	65.70
Unbilled revenue on projects	-	76.88
Interest receivable	0.95	0.58
Derivative instrument at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts	0.63	-
<b>Total</b>	<b>55.11</b>	<b>143.16</b>

**Notes to Standalone Financial Statements  
for the year ended March 31, 2021**

**Breakup of financial assets**

	March 31, 2021	March 31, 2020
<b>At amortised cost</b>		
Non-current and current loans	45.31	26.98
Non-current and current trade receivables	3,662.73	3,892.90
Cash and cash equivalents	148.85	62.51
Non-current and current Bank balances other than cash and cash equivalents	353.74	252.17
Other non-current and current financial assets	177.52	247.02
<b>Total financial assets carried at amortised cost</b>	<b><u>4,388.15</u></b>	<b><u>4,481.58</u></b>

**17 Other current assets**

(Unsecured, considered good unless otherwise stated)

Advance paid for jobs in progress

- Considered good

- Considered doubtful

Advances for supply and services

Advances for supply and services - from related parties

Prepayments

Surplus gratuity fund balance

Other advances

Less: Allowance for credit loss against doubtful advances

**Total**

266.75

116.20

203.70

736.75

72.87

26.85

85.57

(116.20)

**1,392.49**

262.44

120.96

198.18

760.97

68.64

33.21

108.42

(120.96)

**1,431.86**

**Reconciliation of allowance for credit loss against doubtful advances**

Opening Balance as at beginning of the year

Created during the year (Net)

**Closing Balance as at end of the year**

120.96

(4.76)

**116.20**

41.47

79.49

**120.96**

**18 Share Capital**

**18.1 Authorised share capital**

**Equity shares of Rs.2/- each** (March 31, 2020: Rs. 2/- each)

	Number of shares	Rs. in Lakhs
<b>At April 01, 2019</b>	<b>50,000,000</b>	<b>1,000.00</b>
Increase/(decrease) during the year	-	-
<b>At March 31, 2020</b>	<b>50,000,000</b>	<b>1,000.00</b>
Increase/(decrease) during the year	-	-
<b>At March 31, 2021</b>	<b><u>50,000,000</u></b>	<b><u>1,000.00</u></b>

**18.2 Issued, Subscribed and Paid-up Capital**

**Equity shares of Rs.2/- each** (March 31, 2020: Rs.2/- each)  
**issued, subscribed and fully paid**

**At April 01, 2019**

Increase/(decrease) during the year

**At March 31, 2020**

Increase/(decrease) during the year

**At March 31, 2021**

**28,099,008**

-

**28,099,008**

-

**28,099,008**

**561.98**

-

**561.98**

-

**561.98**



# BEARDELL LIMITED

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Notes to Standalone Financial Statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

## 18.3 Terms/ rights attached to shares

The Company has issued only one class of equity shares having a par value of Rs.2/- per share. Each holder of equity share is entitled to one vote per share. The Company declares dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## 18.4 Details of shareholders holding more than 5% shares in the Company

	March 31, 2021		March 31, 2020	
	Number of shares held	% holding	Number of shares held	% holding
Mrs. Jayasree Anumolu	9,091,614	32.36%	9,091,614	32.36%
Mr. Bharat Anumolu	3,800,694	13.53%	5,558,848	19.78%
M/s. Gunnam Subba Rao Insulation Private Limited	3,328,320	11.84%	3,328,320	11.84%

As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

## 18.5 Aggregate number of bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

- On May 05, 2017, one equity share of face value Rs.10/- each was split into five equity shares of Rs.2/- each. Accordingly, 10,000,000 authorised equity shares of Rs.10/- each were sub-divided into 50,000,000 authorised equity shares of Rs.2/- each and 4,683,168 fully paid up shares of Rs.10/- each were sub-divided into 23,415,840 fully paid up shares of Rs.2/- each.
- On May 06, 2017, the Company issued bonus shares to the existing shareholders, in the ratio of 1:5. The Securities premium account was utilised to the extent of Rs. 93.66 lakhs for the issue of said bonus shares.

## 19 Other equity

	March 31, 2021	March 31, 2020
<b>Reserves and Surplus</b>		
<b>(a) Securities premium account</b>		
Balance at the beginning of the year	555.65	555.65
<b>Balance at the end of the year</b>	<b>555.65</b>	<b>555.65</b>
<b>(b) General reserve</b>		
Balance at the beginning of the year	484.61	484.61
Add: Amount transferred from surplus in the statement of profit and loss	-	-
<b>Balance at the end of the year</b>	<b>484.61</b>	<b>484.61</b>
<b>(c) Retained earnings</b>		
Balance at the beginning of the year	2,448.23	2,424.29
Add: Profit / (loss) for the year	(23.35)	108.47
Re-measurement gain/(loss) on Defined Benefit Obligations (net of tax impact) (refer note 42)	(14.47)	(3.23)
Less: Cash dividend	(28.10)	(67.44)
Less: Dividend distribution tax	-	(13.86)
<b>Balance at the end of the year</b>	<b>2,382.31</b>	<b>2,448.23</b>

**Notes to Standalone Financial Statements  
for the year ended March 31, 2021**

	March 31, 2021	March 31, 2020
<b>*Distribution made and proposed</b>		
<b>i) Cash dividends on equity shares proposed and paid</b>		
Final dividend for year ended on 31st March 2021: Rs.0.10 per share (31st March 2020: Rs.0.24 per share)	28.10	67.44
Dividend distribution tax	-	13.86
<b>Total cash dividend including dividend distribution tax</b>	<b>28.10</b>	<b>81.30</b>
<b>ii) Proposed dividend on equity shares</b>		
Final dividend for the year ended on 31st March 2021: Rs.Nil per share (31st March 2020: Rs.0.10 per share)	-	28.10
Dividend distribution tax	-	-
<b>Total proposed dividend including dividend distribution tax</b>	<b>-</b>	<b>28.10</b>
Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as on March 31.		
With effect from 1 April 2020, the Dividend Distribution Tax ("DDT") payable by the company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.		
During the year ended 31 March 2021 and 31 March 2020, the Company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities for the year ended 31 March 2020. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.		
<b>(d) FVTOCI reserve</b>		
Balance at the beginning of the year	4.81	5.33
Add: Other comprehensive income for the year	0.26	(0.52)
<b>Balance at the end of the year</b>	<b>5.07</b>	<b>4.81</b>
<b>Total other equity</b>	<b>3,427.64</b>	<b>3,493.30</b>

**Nature and purpose of reserves**

**(a) Securities premium account**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**(b) General reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

**(c) Retained earnings**

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013.

**(d) FVTOCI reserve**

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through Other Comprehensive Income within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.



	March 31, 2021	March 31, 2020
<b>20 Borrowings (non-current)</b>		
<b>Term loans</b>		
Indian Rupee loans from banks (Secured)	696.66	324.43
<b>Long term maturities of finance lease obligation</b>		
Obligations under hire purchase contracts (Secured)	57.56	63.51
<b>Unsecured loans from others</b>		
Unsecured deposits from members - related parties (Refer note 47)	-	20.00
Unsecured deposits from members - others	99.84	82.30
Unsecured inter corporate deposits	400.00	250.00
Unsecured loans and advances from related parties (Refer note 47)	375.00	-
<b>Total (A)</b>	<b><u>1,629.06</u></b>	<b><u>740.24</u></b>
<b>Current maturities of non-current borrowings</b>		
Indian Rupee term loans from banks (Secured)	308.46	72.28
Obligations under hire purchase contracts (Secured)	29.81	33.30
	<b><u>338.27</u></b>	<b><u>105.58</u></b>
Less: Amount disclosed under the head "other financial liabilities" (B)	(338.27)	(105.58)
<b>Total non-current borrowings ((A) - (B))</b>	<b><u>1,290.79</u></b>	<b><u>634.66</u></b>
(i) The Indian rupee term loan from banks include:		
(a) Term loans from Bank of India (Rs. 975) secured by exclusive charge on the entire fixed and current assets of the Company. They are also secured by deposit of the title deeds of all its properties. The term loan is repayable over a period of 7 years and the average floating interest rate is 12.10% to 13.10% (previous year - 10.80% to 13.45%)		
(b) Covid Emergency Support Scheme (CESS) term loan (Rs. 160) from Bank of India repayable over a period of 18 months at an average interest rate is 7.95%		
(c) Guaranteed Emergency Credit Loan (GECL) (Rs. 310) from Bank of India repayable over a period of 3 years at an average interest rate of 7.50%		
(ii) Hire purchase loans are secured by hypothecation of vehicles acquired out of the loan and taken at an interest rate of 9.50% to 10.50%.		
(iii) Deposits from members are accepted at an interest rate of 9.75% to 10.75%		
(iv) Inter corporate deposits are accepted at an interest rate of 11.00%		
(v) Loans and advances from related parties are at an interest rate of 12.00%		
(vi) The Company has not defaulted on any loans payable during the year.		

## 21 Finance lease liabilities (non current)

	March 31, 2020	March 31, 2019
<b>Long term maturities of finance lease obligation</b>		
Lease liabilities (Refer Note 48)	222.74	346.96
<b>Total</b>	<b><u>222.74</u></b>	<b><u>346.96</u></b>
<b>22 Other financial liabilities (non current)</b>		
Interest accrued but not due on deposits from others	0.83	0.85
Financial guarantee contracts (Refer Note 49 c)	1.31	2.58
<b>Total</b>	<b><u>2.14</u></b>	<b><u>3.43</u></b>



# BEARDSELL LIMITED

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Notes to Standalone Financial Statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

March 31, 2021 March 31, 2020

## 23 Deferred tax liability / (asset) (Net)

### Deferred tax liability relating to

On difference between book balance and tax balance of Property, plant & equipment

Deferred tax impact on fair valuation of Investments

(A)

254.27 277.54

2.61 2.52

**256.88 280.06**

### Deferred tax asset relating to

Provision for compensated absences & bonus

Provision for impairment allowance on financial assets

Leases - Ind AS 116 adjustments

(B)

66.69 37.13

243.33 222.83

13.43 3.99

**323.45 263.95**

### Deferred tax liability / (asset) (Net)

(A-B)

**(66.57)**

**16.11**

For the year ended March 31, 2021	Opening Balance	Recognised in profit & loss	Recognised in OCI	Closing balance
Property, plant and equipment	277.54	(23.27)	-	254.27
Provision for compensated absences	(37.13)	(29.56)	-	(66.69)
Provision for impairment allowance on financial assets	(230.81)	(20.50)	-	(251.31)
Leases - Ind AS 116 adjustments	3.99	(9.44)	-	(5.45)
FVTOCI reserve	2.52	-	(0.09)	2.61
	<b>16.11</b>	<b>(82.77)</b>	<b>(0.09)</b>	<b>(66.57)</b>

For the year ended March 31, 2020	Opening Balance	Recognised in profit & loss	Recognised in OCI	Closing balance
Property, plant and equipment	328.08	(50.54)	-	277.54
Provision for compensated absences	(28.19)	(8.94)	-	(37.13)
Provision for impairment allowance on financial assets	(119.76)	(111.05)	-	(230.81)
Leases - Ind AS 116 adjustments	-	3.99	-	3.99
FVTOCI reserve	2.69	-	(0.17)	2.52
	<b>182.82</b>	<b>(166.54)</b>	<b>(0.17)</b>	<b>16.11</b>

## 24 Borrowings (Current)

March 31, 2021 March 31, 2020

Cash credit from banks (secured)	837.82	1,346.68
Unsecured inter corporate deposits	22.00	22.00
Unsecured loans and advances from related parties (Refer note 47)	87.75	390.75
Unsecured deposits from members - related parties (Refer note 47)	90.83	5.00
Unsecured deposits from members - others	6.87	39.55
<b>Total</b>	<b>1,045.27</b>	<b>1,803.98</b>

(i) The interest rate on the cash credit ranges between 12.10% to 13.10% (March 31, 2020 - 10.80% to 13.45%. Refer note 3(a)(i) for details of security.

(ii) Refer note (iii) under non-current borrowings for details of security and terms of repayment.

**Notes to Standalone Financial Statements  
for the year ended March 31, 2021**

**25 Trade payables**

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Outstanding dues to micro, small and medium enterprises	-	-
Outstanding dues to creditors other than micro, small and medium enterprises	<u>2,941.24</u>	<u>2,713.42</u>
	<b><u>2,941.24</u></b>	<b><u>2,713.42</u></b>

Based on the information available with the Company, there are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2021 (March 31, 2020: Nil). Further, the Company has not paid any interest to any Micro and Small Enterprises during the current and previous year.

**Terms and conditions of the above financial liabilities:**

Trade payables are non interest bearing and carry a credit period generally between 30 and 60 days

**26 Finance Lease liabilities (current)**

**Current maturities of finance lease obligation**

Lease liabilities (Refer Note 48)	<u>138.00</u>	<u>129.36</u>
<b>Total</b>	<b><u>138.00</u></b>	<b><u>129.36</u></b>

**27 Other financial liabilities (current)**

Current maturities of long term borrowings (refer note (ii) below)	308.46	72.28
Current maturities of hire purchase loans (refer note (iii) below)	29.81	33.30
Current maturities of unsecured deposits from members - related parties (refer note 47)	20.00	80.18
Current maturities of unsecured deposits from members - others	61.17	68.61
Current maturities of unsecured inter corporate deposits	-	250.00
Unclaimed dividend	19.84	18.56
Interest accrued but not due on deposits from members		
- From related parties	0.48	0.20
- From others	0.82	2.95
Financial guarantee contracts (refer note 49 c)	2.44	2.94
Payable to employees	<u>227.55</u>	<u>5.21</u>
<b>Total</b>	<b><u>670.57</u></b>	<b><u>534.23</u></b>

(i) Interest payable is normally settled monthly / quarterly throughout the financial year.

(ii) Current maturities of long-term debt pertains to secured term loans taken from banks. Refer note (i) under non-current borrowings for details of security and terms of repayment.

(iii) Hire purchase loans are secured by hypothecation of vehicles acquired out of the loan.

**28 Other current liabilities**

Statutory liabilities	51.85	105.58
Advances received from customers	322.85	242.45
Deferred revenue	70.80	34.58
Others	<u>151.90</u>	<u>148.50</u>
<b>Total</b>	<b><u>597.40</u></b>	<b><u>531.31</u></b>

**29 Provisions (current)**

Provision for compensated absences	116.15	101.24
Provision for differential sales tax	<u>13.52</u>	<u>13.52</u>
<b>Total</b>	<b><u>129.67</u></b>	<b><u>114.76</u></b>

**30 Current tax liabilities**

Provision for income taxes (net of advance taxes)	<u>95.11</u>	<u>158.31</u>
<b>Total</b>	<b><u>95.11</u></b>	<b><u>158.31</u></b>

**Breakup of financial liabilities**

**At amortised cost**

Non-current borrowings	1,290.79	634.66
Current borrowings	1,045.27	1,803.98
Trade Payables	2,941.24	2,713.42
Other non-current and current financial liabilities	<u>672.71</u>	<u>537.66</u>
<b>Total financial liabilities carried at amortised cost</b>	<b><u>5,950.01</u></b>	<b><u>5,689.72</u></b>



# BEARDELL LIMITED

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Notes to Standalone Financial Statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

## 31 Revenue from contracts with customers

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020
Sale of Products		
Finished goods	9,193.04	11,046.38
Traded goods	1,440.39	1,201.46
Sale of services	1,375.80	1,606.06
Other operating revenue		
Scrap sales	53.61	41.56
<b>Total revenue from operations</b>	<b><u>12,062.84</u></b>	<b><u>13,895.46</u></b>

### Disaggregated revenue information

Reconciliation of the revenue from contract with customers with the amounts disclosed in the segment information (Note 46)

Insulation	10,977.66	12,694.00
Trading	1,085.18	1,201.46
<b>Total revenue from contracts with customers</b>	<b><u>12,062.84</u></b>	<b><u>13,895.46</u></b>

### Timing of revenue recognition

Goods transferred at a point in time	10,687.04	12,289.40
Services transferred over time	1,375.80	1,606.06
<b>Total revenue from contracts with customers</b>	<b><u>12,062.84</u></b>	<b><u>13,895.46</u></b>

### Contract balances

Trade receivables	3,662.73	3,892.90
Contract assets	-	76.88
Contract liabilities	329.05	245.45

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Contract assets represents unbilled revenue.

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

### Reconciling the amount of revenue recognised in the statement of profit and loss with the contract price

Due to Company's nature of business and the type of contracts entered with the customers, the company does not have any difference between the amount of revenue recognized in the statement of profit and loss and the contracted price.

### Performance obligation

Information about the Company's performance obligations are summarised below:

#### a) Insulation

The revenue from sale of finished goods is recognised at a point in time coinciding with the transfer of control over goods and in case of contracts, revenue is recognised over a period of time based on progress of performance certified by the customer in line with the requirements of Ind AS 115.

#### b) Trading

The revenue from sale of traded goods is recognised at a point in time coinciding with the transfer of control over goods as per Ind AS 115.

## 32 Other income

Rental income from operating leases	36.47	43.36
Dividend Income	0.02	0.02
Net gain on disposal of property, plant and equipment	5.12	7.52
Foreign Exchange Fluctuation (net)	12.40	5.22
Liabilities no longer required written back	4.42	12.85
Other non-operating income	24.02	8.19
<b>Total</b>	<b><u>82.45</u></b>	<b><u>77.16</u></b>

**Notes to Standalone Financial Statements  
for the year ended March 31, 2021**

	<b>For the year ended 31-Mar- 2021</b>	<b>For the year ended 31-Mar- 2020</b>
<b>33 Finance income</b>		
Interest Income on		
- Bank Deposits	15.08	16.64
- Income tax refund	2.18	18.25
- Others	0.43	1.64
Guarantee income	3.52	1.29
<b>Total</b>	<b>21.21</b>	<b>37.82</b>
<b>34 Cost of raw material and components consumed</b>		
Inventory at the beginning of the year	472.49	424.01
Add: Purchases	7,232.99	7,723.89
	<b>7,705.48</b>	<b>8,147.90</b>
Less : Inventory at the end of the year	638.46	472.49
<b>Cost of raw material and components consumed</b>	<b>7,067.02</b>	<b>7,675.41</b>
<b>35 Purchase of traded goods</b>		
Stock-in-trade - Motors	1,002.47	966.36
Stock-in-trade - Others	-	260.26
<b>Total</b>	<b>1,002.47</b>	<b>1,226.62</b>
<b>36 Changes in inventories of finished goods, work-in-progress and traded goods</b>		
<b>Opening stock</b>		
Finished goods	242.92	192.65
Work-in-Progress	91.49	55.16
Stock-in-trade	218.62	234.57
	<b>553.03</b>	<b>482.38</b>
<b>Closing stock</b>		
Finished goods	236.40	242.92
Work-in-Progress	79.47	91.49
Stock-in-trade	215.87	218.62
	<b>531.74</b>	<b>553.03</b>
<b>Decrease/ (increase) in inventories of finished goods, work-in-progress and traded goods</b>	<b>21.29</b>	<b>(70.65)</b>
<b>37 Employee benefits expense</b>		
Salaries, allowances and wages	1,149.53	1,302.64
Contribution to provident fund and other funds	82.13	159.00
Gratuity expense (Refer Note 45)	19.94	28.19
Staff welfare expenses	45.32	61.34
<b>Total</b>	<b>1,296.92</b>	<b>1,551.17</b>

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. 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.



# BEARDELL LIMITED

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Notes to Standalone Financial Statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020
<b>38 Depreciation and amortization expense</b>		
Depreciation of property, plant and equipment	308.36	308.82
Amortization of intangible assets	22.68	22.54
Depreciation of Right-of-use assets (Refer Note. 48)	154.03	165.87
<b>Total</b>	<b>485.07</b>	<b>497.23</b>
<b>39 Finance Costs</b>		
Interest expense on		
Term loans and working capital loans	223.81	240.56
On deposits from members and other deposits	119.08	136.00
On hire purchase contracts	4.49	7.80
Delayed payment of Income Tax	-	28.67
Lease liabilities	29.42	36.70
Other Borrowing Costs #	53.12	56.59
<b>Total</b>	<b>429.92</b>	<b>506.32</b>
<p># Other borrowing cost includes loan processing charges, guarantee charges, loan facilitation charges and other ancillary costs incurred in connection with borrowings.</p>		
<b>40 Other expenses</b>		
Consumption of stores and spares	83.52	118.02
Service Charges	396.04	478.43
Power and Fuel	485.67	573.98
Repairs & maintenance		
Plant and machinery	21.26	18.24
Buildings	5.63	14.15
Furniture and Equipment	9.85	10.73
Rent	30.27	6.86
Rates and taxes	24.17	46.75
Advertising and sales promotion	5.10	11.16
Vehicle maintenance	29.85	38.31
Insurance	91.43	79.34
Printing and stationery	1.31	1.56
Consultancy and other professional charges	80.77	81.79
Travelling and conveyance	42.25	103.99
Communication expenses	20.26	27.91
Allowance for credit loss	81.45	474.12
Bad debts written off	97.46	7.45
Freight and forwarding charges	192.85	187.53
Share of loss from partnership firm	39.04	150.31
Donations	5.10	4.59
Sitting fees paid to Directors	10.50	8.55
Bank charges	5.56	15.76
Miscellaneous Expenses	58.64	80.75
<b>Total</b>	<b>1,817.98</b>	<b>2,540.28</b>

**Notes to Standalone Financial Statements  
for the year ended March 31, 2021**

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020
<b>Payment to auditor</b> (included under consultancy and other professional charges)		
<b>As auditor</b>		
- Audit fees	12.00	12.00
- Limited review	9.00	9.00
- Tax audit fee	1.50	1.00
<b>In other capacity</b>		
- Other services (includes certification)	0.50	0.50
- Reimbursement of expenses	0.10	0.46
<b>Total</b>	<b>23.10</b>	<b>22.96</b>

**41 Exceptional items**

On October 22, 2019, the Company has transferred leasehold rights on land situated at Plot No. D-3/164 & 165 of Dahej Industrial Estate of GIDC, for an aggregate consideration of Rs.205.00 to Nvision Products Private Limited. Rs.69.35 being gain on disposal during the previous year ended March 31, 2020 is shown as an exceptional item due to the nature and significance of the amount involved.

**Details of CSR expenditure**

a) Gross amount required to be spent by the company during the year	0.98	7.37
b) Amount spent during the year ending on March 31, 2021 :	In cash	Yet to be paid in cash
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	4.65	4.65
c) Amount spent during the year ending on March 31, 2020 :	In cash	Yet to be paid in cash
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	4.59	2.78
	7.37	7.37

<b>Amount spent during the year:</b>	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020
(i) Contribution to Charitable Trust	3.00	3.80
(ii) Others	1.65	0.79
	<b>4.65</b>	<b>4.59</b>

**In case of S. 135(5) Excess amount spent**

Opening balance	Amount required to be spent during the year	Amount spent during the year	Closing balance
-	0.98	4.65	3.67

**42 Other Comprehensive Income (OCI)**

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

**FVTOCI reserve**

Gain/(loss) on FVTOCI financial assets	0.35	(0.69)
Deferred tax effect on the gain/(loss) on FVTOCI financial assets	(0.09)	0.17
Re-measurement gains / (losses) on defined benefit plans	(19.34)	(4.32)
Deferred tax effect on remeasurement costs on net defined benefit liability	4.87	1.09
<b>Total</b>	<b>(14.21)</b>	<b>(3.75)</b>

**43 Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.



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## The following reflects the profit and share data used in the basic and diluted EPS computations:

Profit / (loss) available for equity shareholders	(23.35)	108.47
Weighted average number of equity shares in computing basic and diluted EPS	28,099,008	28,099,008
Face value of each equity share (Rs.)	2	2
Earnings per share		
- Basic (Rs.)	(0.08)	0.39
- Diluted (Rs.)	(0.08)	0.39

## 44 Income taxes

The major components of income tax expenses for the year ended March 31, 2021 and March 31, 2020 are:

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020
<b>(i) Profit or loss section</b>		
Current income tax:		
Current income tax charge	130.50	200.00
Adjustments in respect of current income tax of previous year - Interest on delayed payment of previous year taxes	33.20	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(94.52)	(155.06)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>69.18</b>	<b>44.94</b>
<b>(ii) OCI Section</b>		
Tax related to items recognised in OCI during in the year:		
Net (gain)/ loss on FVTOCI financial assets	0.09	(0.17)
Net (gain)/ loss on remeasurement of defined benefit plans	(4.87)	(1.09)
<b>Income tax charged to OCI</b>	<b>(4.78)</b>	<b>(1.26)</b>

## Reconciliation of tax expense and the accounting profit multiplied by Corporate Income tax rate applicable for March 31, 2021 and March 31, 2020:

Particulars	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020
Accounting Profit Before Income Tax (A)	45.83	153.41
Enacted tax rate in India (B)	25.17%	25.17%
Profit before income tax multiplied by standard rate of Corporate tax in India (C = A*B)	11.53	38.61
<b>Adjustments</b>		
50% of donation	0.64	0.58
Loss / (profit) from partnership firm	9.83	37.83
Impact of change in income tax rate*	-	(24.75)
Impact on account of special rates on Indexed amount	-	(12.52)
Interest on income tax	7.29	-
Others	6.69	5.19
<b>Total (D)</b>	<b>24.45</b>	<b>6.33</b>
Expected tax expenses after adjustments (C+D)	35.98	44.94
Total Tax expense	35.98	44.94

\* During the previous year, the Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company has recognized provision for Income Tax and re-measured its Deferred Tax Assets basis the rate prescribed in the said section during the previous year and the full impact of this change has been recognized in the Statement of Profit and Loss for the year ended March 31, 2020.



**Notes to Standalone Financial Statements  
for the year ended March 31, 2021**

**45 Employee benefits**

**A. Defined contribution plans**

The Company makes contributions to Provident Fund, Superannuation Fund and Employee State Insurance Scheme which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.41.78 (March 31, 2020: Rs.86.39) for Provident Fund contributions, Rs.38.16 (March 31, 2020: Rs.69.29) for Superannuation Fund contributions and Rs.2.16 (March 31, 2020: Rs.3.32) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**B. Defined benefit plans**

*Gratuity*

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rs. 20. The Company has invested the plan assets with the insurer managed funds (Life Insurance Corporation). The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

The components of gratuity cost recognised in the statement of profit and loss for the years ended March 31, 2021 and March 31, 2020 consist of the following

<b>Particulars</b>	<b>For the year ended 31-Mar- 2021</b>	<b>For the year ended 31-Mar- 2020</b>
Current service cost	23.48	31.41
Interest cost (net)	(3.54)	(3.22)
<b>Gratuity cost recognised in statement of profit and loss</b>	<b>19.94</b>	<b>28.19</b>
Actuarial (gains) / losses due to demographic changes in DBO	-	2.04
Return on plan assets (greater)/less than discount rate	47.26	-
Actuarial (gains) / losses due to changes in financial assumptions	(21.79)	(21.96)
Experience adjustments	(6.13)	24.24
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>19.34</b>	<b>4.32</b>
<b>Details of the employee benefits obligations and plan assets are provided below:</b>		
Defined benefit obligation	394.91	425.71
Fair value of plan assets	(421.76)	(458.92)
<b>Net defined benefit (asset) / liability recognised</b>	<b>(26.85)</b>	<b>(33.21)</b>
<b>Details of changes in the present value of defined benefit obligations are as follows:</b>		
Opening defined benefit obligation	425.71	377.49
Current service cost	23.48	31.41
Interest cost	28.40	25.63
Remeasurement gains/(losses) on obligation	(27.92)	4.32
Benefits paid	(54.76)	(13.14)
<b>Defined benefit obligations at the end of the year</b>	<b>394.91</b>	<b>425.71</b>
<b>Details of changes in the fair value of plan assets are as follows:</b>		
Fair value of plan assets at the beginning of the year	458.92	414.57
Expected return on plan assets	31.94	28.85
Employer contributions	32.92	28.64
Benefits paid	(54.76)	(13.14)
Remeasurement gains/(losses) on plan assets	(47.26)	-
<b>Plan assets at the end of the year</b>	<b>421.76</b>	<b>458.92</b>



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The principal actuarial assumptions used in determining gratuity obligation for the Company are shown below:

Particulars	March 31, 2021	March 31, 2020
Discount rate	7.13 %	6.83 %
Rate of return of plan assets	7.13 %	6.83 %
Attrition rate	6.00 %	6.00 %
Rate of compensation increase	6.00 %	6.00 %

Particulars	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
<b>Sensitivity Analysis: Impact on defined benefit obligation</b>		
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(18.83)	(23.75)
- 1% decrease	21.37	27.56
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	21.42	27.56
- 1% decrease	(19.19)	(24.35)
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	0.20	0.08
- 1% decrease	(0.21)	(0.46)

The expected future cash flows in respect of gratuity were as follows:

Expected future benefit payments		
Within next year	57.15	65.13
Between 2 and 5 years	120.18	121.11
Between 6 and 10 years	132.60	126.57

The average duration of the defined benefit plan obligation at the end of the reporting period is 11.80 years (31 March 2020: 11.51 years).

#### Notes:

- The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).
- The expected/ actual return on Plan Assets is as furnished by LIC.
- The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors.

## 46 Segment information

### Primary segment

Based on internal reporting provided to the chief operating decision maker, insulation and trading are two reportable segments for the Company. Insulation Business includes manufacturing of EPS Products/ prefabricated panels and related service activities. Trading includes motors, export of fabrics, telemedicine equipment's, Information Technology Products etc. The above segments have been identified taking into account the organisation structure as well as differing risks and returns of these segments. Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. All expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

**Notes to Standalone Financial Statements  
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**For the year ended March 31, 2021**

<b>Particulars</b>	<b>Insulation</b>	<b>Trading</b>	<b>Total</b>
Revenue	10,977.66	1,085.18	12,062.84
Segment result	657.84	113.75	771.59
Less: Finance costs			(429.92)
Less: Unallocable corporate expenses (net of unallocated income)			(295.84)
Add: Exceptional items			-
Profit before taxes			45.83
Less: Tax expenses			(69.18)
<b>Net profit / (loss) for the year</b>			<b>(23.35)</b>
<b>As at year ended March 31, 2021</b>			
Segment assets	9,441.72	487.50	9,929.22
Unallocable corporate assets			1,193.33
<b>Total Assets</b>			<b>11,122.55</b>
Segment liabilities	4,271.24	93.75	4,364.99
Unallocable corporate liabilities			2,767.94
<b>Total liabilities</b>			<b>7,132.93</b>

**For the year ended March 31, 2020**

<b>Particulars</b>	<b>Insulation</b>	<b>Trading</b>	<b>Total</b>
Revenue	12,694.00	1,201.46	13,895.46
Segment result	866.46	98.15	964.61
Less: Finance costs			(506.32)
Less: Unallocable corporate expenses (net of income)			(374.23)
Add: Exceptional items			69.35
Profit before taxes			153.41
Less: Tax expenses			(44.94)
<b>Net profit / (loss) for the year</b>			<b>108.47</b>
<b>As at year ended March 31, 2020</b>			
Segment assets	9,761.81	487.66	10,249.47
Unallocable corporate assets			792.34
<b>Total Assets</b>			<b>11,041.81</b>
Segment liabilities	3,730.16	183.77	3,913.93
Unallocable corporate liabilities			3,072.60
<b>Total liabilities</b>			<b>6,986.53</b>

**Capital expenditure**

<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Insulation	188.60	248.77
Trading	-	-
Unallocable	2.30	93.55
<b>Total</b>	<b>190.90</b>	<b>342.32</b>

**Depreciation / amortisation**

<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Insulation	277.52	277.94
Trading	30.84	30.88
Unallocable	176.71	188.41
<b>Total</b>	<b>485.07</b>	<b>497.23</b>

### Revenue from External Customers

Particulars	March 31, 2021	March 31, 2020
India	12,062.84	13,741.22
Outside India	-	154.24

The revenue information above is based on the location of the customers

### Non current assets

Particulars	March 31, 2021	March 31, 2020
India	3,470.87	3,806.61
Outside India	-	-

Non-current assets for this purpose consist of property, plant and equipment, capital work in progress, intangible assets, right-of-use assets and intangible assets under development.

### 47 a. Related Party Transactions

Enterprises that are controlled by the Company	M/s Saideep Polytherm (Partnership Firm)- Controlled Entity M/s Sarovar Insulation Private Limited - wholly owned subsidiary
Key Management Personnel (KMP) and their relatives	Mr. Amrith Anumolu - Executive Director Mr. Bharath Anumolu - Relative of KMP Mrs. Jayasree Anumolu - Director / Relative of KMP Mrs. Lalithamba Panda - Relative of KMP Mr. R Gowrishanker - Director Mr. V J Singh - Director Mr. Gurram Jagannathan Reddy - Independent Director (from June 28, 2019) Mr. A V Ram Mohan - Independent Director (from October 21, 2019) Mr. V V Sridharan - Chief Financial Officer Mr. K Murali - Company Secretary (till May 31, 2020) Ms. T Anantha Jothi - Company Secretary (from June 01, 2020) Mrs. S N Radha - Relative of KMP
Enterprises over which parties above or their relatives have control / significant influence ('Affiliates')	M/s. Gunnam Subba Rao Insulation Private Limited M/s. Korean Painting and Plating Pvt Ltd (Formerly "Panda Solar Energy Pvt Ltd") M/s. Villasini Real Estate Private Limited



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## b. Related party transactions for the year ended March 31, 2021

Particulars	Controlled entity	Wholly owned subsidiary	Affiliates	Key Managerial Personnel & their relatives
<b>Transactions during the period</b>				
Sale of products	156.36	203.24	-	-
Purchase of materials	372.99	667.51	-	-
Lease rent income	-	12.00	4.80	-
Financial guarantee income	-	3.52	-	-
Lease rent expense	-	21.00	48.60	-
Interest expense on lease liabilities	-	1.26	-	-
Share of loss	39.04	-	-	-
Sale of property, plant and equipment	0.48	-	-	-
<b>Managerial remuneration paid</b>				
Mr. Amrith Anumolu	-	-	-	35.30
Mr. V V Sridharan	-	-	-	19.36
Mr. K Murali	-	-	-	5.95
Ms. T Anantha Jothi	-	-	-	8.53
<b>Sitting fees &amp; conveyance charges paid to Directors</b>				
Mr. Amrith Anumolu	-	-	-	2.40
Mrs. Jayasree Anumolu	-	-	-	1.20
Mr. R Gowrishanker	-	-	-	2.80
Mr. V J Singh	-	-	-	2.20
Mr. Gurram Jagannathan Reddy	-	-	-	2.60
Mr. A V Ram Mohan	-	-	-	2.80
<b>Unsecured Loan received</b>				
Mrs. Jayasree Anumolu	-	-	-	250.00
<b>Unsecured Loan repaid</b>				
Mr. Amrith Anumolu	-	-	-	8.00
Mr. R. Gowrishanker	-	-	-	170.00
<b>Public deposits repaid</b>				
Mrs. Lalithamba Panda	-	-	-	80.18
Mrs. S N Radha	-	-	-	5.00
<b>Public deposits received</b>				
Mrs. Lalithamba Panda	-	-	-	80.18
Mrs. S N Radha	-	-	-	5.45
Ms. T Anantha Jothi	-	-	-	5.20
Capital contributed	350.00	-	-	-
<b>Finance cost during the year on loans</b>				
Mr. V J Singh	-	-	-	0.84
Mr. Amrith Anumolu	-	-	-	1.38
Mr. R. Gowrishanker	-	-	-	1.21
Mrs. Jayasree Anumolu	-	-	-	22.44
Mrs. Lalithamba Panda	-	-	-	10.42
Mr. Bharat Anumolu	-	-	-	8.75
Mrs. S N Radha	-	-	-	0.57
Ms. T Anantha Jothi	-	-	-	0.22

**Notes to Standalone Financial Statements  
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Particulars	Controlled entity	Wholly owned subsidiary	Affiliates	Key Managerial Personnel & their relatives
<b>Balance outstanding as at the year end</b>				
Trade receivable	876.25	-	1.79	-
Advances for supply and services	-	736.75	-	-
Trade payables	-	-	15.00	-
Lease liabilities	-	60.89	-	-
Other financial liabilities - financial guarantee contracts	-	3.75	-	-
Unsecured loan from Mr. Bharat Anumolu	-	-	-	72.75
Unsecured loan from Mr. V J Singh	-	-	-	7.00
Unsecured loan from Mrs. Jayasree Anumolu	-	-	-	375.00
Unsecured loan from Mr. Amrith Anumolu	-	-	-	8.00
Public deposits from Mrs. Lalithamba Panda	-	-	-	100.18
Public deposits from Mrs. S N Radha	-	-	-	5.45
Public deposits from Ms. T Anantha Jothi	-	-	-	5.20
Interest accrued on Public Deposit - Ms. T Anantha Jothi	-	-	-	0.22
Interest accrued on Public Deposit - Mrs. S.N. Radha	-	-	-	0.26

**c. Related party transactions for the year ended March 31, 2020**

**Transactions during the period**

Sale of products	73.12	2.93	-	-
Purchase of materials	228.37	705.36	-	-
Technical service income	8.00	-	-	-
Lease rent income	-	12.00	4.80	-
Sale of asset leased back	-	192.01	-	-
Net gain on sale of asset leased back	-	2.31	-	-
Financial guarantee income	-	1.29	-	-
Lease rent expense	-	1.75	48.00	-
Interest expense on lease liabilities	-	0.01	-	-
Share of loss	150.31	-	-	-
Managerial remuneration paid				
Mr. Bharat Anumolu	-	-	-	9.11
Mr. Amrith Anumolu	-	-	-	37.29
Mr. V V Sridharan	-	-	-	24.91
Mr. K Murali	-	-	-	14.17
Sitting fees & conveyance charges paid to Directors				
Mr. Bharat Anumolu	-	-	-	0.20
Mr. Amrith Anumolu	-	-	-	2.00
Mrs. Jayasree Anumolu	-	-	-	1.60
Mr. R. Gowrishanker	-	-	-	2.40
Mr. V J Singh	-	-	-	2.20
Mr. Gurram Jagannathan Reddy	-	-	-	1.80
Mr. A V Ram Mohan	-	-	-	1.20
Public deposits received				
Mrs. S N Radha	-	-	-	5.00
Unsecured loan received				
Mrs. Jayasree Anumolu	-	-	-	100.00
Unsecured Loan repaid				
Mr. Bharat Anumolu	-	-	-	7.08
Mr. Gowrishanker	-	-	-	80.00
Finance cost during the year on loans				
Mr. Bharat Anumolu	-	-	-	8.81
Mr. V J Singh	-	-	-	0.84
Mr. Amrith Anumolu	-	-	-	1.93
Mr. R. Gowrishanker	-	-	-	23.85
Mrs. Jayasree Anumolu	-	-	-	9.02



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Particulars	Controlled entity	Wholly owned subsidiary	Affiliates	Key Managerial Personnel & their relatives
<b>Balance outstanding as at the year end</b>				
Trade receivable	932.18	-	3.60	-
Advances for supply and services	-	760.97	-	-
Other advances	-	-	2.61	-
Lease liabilities	-	80.63	-	-
Other financial liabilities - financial guarantee contracts	-	5.52	-	-
Unsecured loan from Mr. Bharat Anumolu	-	-	-	72.75
Unsecured loan from Mr. V J Singh	-	-	-	7.00
Unsecured loan from Mrs. Jayasree Anumolu	-	-	-	125.00
Unsecured loan from Mr. Amrith Anumolu	-	-	-	16.00
Unsecured loan from Mr. R. Gowrishanker	-	-	-	170.00
Public deposits from Mrs. Lalithamba Panda	-	-	-	100.18
Public deposits from Mrs. S N Radha	-	-	-	5.00
Interest accrued on Fixed Deposit - Mrs. S N Radha	-	-	-	0.20

### Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2021 and March 31, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (Refer Note 12).

## 48 Leases

### Company as a lessee

The Company has lease contracts for rent of building and plant & machinery used in its operations. Leases of building used for office purpose have lease terms between 1 and 5 years, and plant & machinery generally have lease terms for 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and sub-leasing the leased assets.

The Company also has certain leases of buildings and vehicles with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Building	Leasehold land & building	Plant & machinery	Total
<b>As at April 1, 2019</b>	<b>526.82</b>	<b>-</b>	<b>-</b>	<b>526.82</b>
Transfer from Property plant and equipment	-	469.64	-	469.64
Additions	-	3.54	80.63	84.17
Deletions	-	(134.09)	-	(134.09)
Depreciation expense	(148.58)	(17.18)	(0.11)	(165.87)
<b>As at April 1, 2020</b>	<b>378.24</b>	<b>321.91</b>	<b>80.52</b>	<b>780.67</b>
Additions	13.75	11.37	-	25.12
Depreciation expense	(120.07)	(16.60)	(17.36)	(154.03)
<b>As at March 31, 2021</b>	<b>271.92</b>	<b>316.68</b>	<b>63.16</b>	<b>651.76</b>

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	As at March 31, 2021	As at March 31, 2020
<b>As at April 01</b>	<b>476.32</b>	<b>526.82</b>
Additions	13.75	82.36
Accretion of interest	29.42	36.70
Payments	(158.75)	(169.56)
<b>As at March 31</b>	<b>360.74</b>	<b>476.32</b>
Current	138.00	129.36
Non-current	222.74	346.96

The effective interest rate for lease liabilities is 8%, with maturity between 2021-2026.

**Notes to Standalone Financial Statements  
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The following are the amounts recognised in profit or loss:

	As at March 31, 2021	As at March 31, 2020
Depreciation expense of right-of-use assets	154.03	165.87
Interest expense on lease liabilities	29.42	36.70
Expense relating to short-term leases and leases of low-value assets (included in other expenses - Rent)	30.27	6.86
<b>Total amount recognised in profit or loss</b>	<b>213.72</b>	<b>209.43</b>

The Company had total cash outflows for leases of Rs.158.75 lakhs in March 31, 2021 (Rs.169.56 in March 31, 2020).

**49 Commitments and contingent liabilities**

**a. Commitments**

The estimated amount of contracts, net of advances remaining to be executed on capital account and not provided is Rs. Nil (March 31, 2020 : Rs.20.03).

**b. Contingent liabilities**

**Note i.**

- a) Matters wherein management has concluded the Company's liability to be probable have accordingly been provided for in the books. Also refer Note 29.
- b) Matters wherein management has concluded the Company's liability to be possible have accordingly been disclosed under Note 49b(ii) Contingent liabilities below.
- c) Matters wherein management is confident of succeeding in these litigations and have concluded the Company's liability to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims, in different stages of process.

**Note ii.**

	March 31, 2021	March 31, 2020
(a) Claims against the Company not acknowledged as debts	23.69	22.77
(b) Sales tax demands against which the Company has filed appeals	611.09	583.10
	<b>634.78</b>	<b>605.87</b>

Particulars	March 31, 2021	March 31, 2020	Period to which the amount relates	Forum where dispute is pending
Under Sales Tax Acts of various states				
Amount under dispute	16.93	1.79	1995-96 2000-01 2001-02	Deputy Commissioner, Assistant Commissioner & other appellate authorities
Amount paid	1.92	0.74	2003-04 2015-16	
<b>Net Amount</b>	<b>15.01</b>	<b>1.05</b>		
Under Central Sales Tax Act, 1956				
Amount under dispute	594.16	581.31	1995-96, 2003-04 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2016-17	High Court, Deputy Commissioner & CTO of various states
Amount paid	58.15	56.15		
<b>Net Amount</b>	<b>536.01</b>	<b>525.16</b>		





# BEARDSELL LIMITED

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Based on its evaluation (including expert advice obtained wherever applicable), the Company believes there it has a strong case on of merits and is confident that the demand will not be sustained therefore, no consequential adjustments (including related provision) are considered necessary in the financial statements in this regard.

## **c. Financial guarantees**

Guarantee on the bank overdraft & term loan availed from DBS Bank by the wholly owned subsidiary to a maximum amount of Rs. 200 (31 March 2020: Rs. 200), (carrying amounts of the related financial guarantee contracts were Rs. 3.75 and Rs. 5.52 at 31 March 2021 and 31 March 2020, respectively).

## **d. Provident fund**

The Supreme Court had passed judgement on 28th February 2019 that all allowances paid to employees are to be considered for the purposes of PF wage determination. There are numerous interpretative issues relating to the above judgement. The company is of the view that this judgement is applicable on a prospective basis from the date of the SC order and hence complied with same prospectively.

## **e. Petition filed with National Company Law Tribunal**

The erstwhile Managing Director of the Company had filed petition with National Company Law Tribunal ("NCLT") under sections 241 to 244 of the Companies Act, 2013 during financial year 2018-19. He has sought certain relief and action against the directors. The Company has intimated to the stock exchange about the matter filed with the NCLT by the erstwhile Managing Director. The matter is pending before NCLT and there have been no material updates to this matter. Based on the review of the petition, the Board is of the view that these matters have no effect on financial statements of the Company.

## **50 Significant accounting judgements, estimates and assumptions**

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances 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.

### **a) Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### **(i) Determining the lease term of contracts with renewal and termination options – Company as lessee**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

### **b) 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) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or

significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

**(ii) Defined benefit plans**

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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 45.

**(iii) Allowance for slow/ non-moving inventory and obsolescence**

An allowance for Inventory is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory allowance is estimated taking into account various factors, including prevailing sales prices of inventory item, gross margins and losses associated with obsolete / slow-moving / redundant inventory items. The Company has, based on these assessments, made adequate provision in the books.

**(iv) Allowance for expected credit loss of trade receivables (ECL provision)**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. The Company undertakes a detailed review of the credit worthiness of clients before extending credit. Outstanding customer receivables are regularly monitored. Management monitors the Company's net liquidity position through rolling forecasts based on expected cash flows.

Trade receivables comprise a large number of customers. The Company has credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined. Net Trade receivables as on March 31, 2021 is Rs. 3,662.73 (March 31, 2020 - 3,892.90). The Company believes the concentration of risk with respect to trade receivables is low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Company uses the expected credit loss model as per Ind AS 109 – 'Financial Instruments' to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix considers available external and internal credit risk factors and the Company's historical experience in respect of customers. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 12.

**(v) Leases - estimating the incremental borrowing rate**

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

**51 Financial risk management objectives and policies**

The Company's principal financial liabilities comprise of bank and other borrowings, deposits, lease liabilities, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance and support the entity's operations. The entity's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.



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The entity is exposed to market risk, credit risk and liquidity risk. The entity's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

## Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity's exposure to the risk of changes in market interest rates relates primarily to the entity's long-term debt obligations with floating interest rates. The entity manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the entity's profit before tax is affected through the impact on floating rate borrowings, as follows

Particulars	March 31, 2021		March 31, 2020	
Increase / decrease in interest rate	+1%	-1%	+1%	-1%
Impact on profit before tax	(15.34)	15.34	(16.71)	16.71

### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The Company has not hedged any portion of its expected foreign currency sales as at March 31, 2021 and March 31, 2020.

#### Foreign currency sensitivity

The following demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates for Rs., with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The sensitivity analysis includes only outstanding unhedged foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

Particulars	Currency	March 31, 2021	March 31, 2020
Trade receivables	USD	-	49,440.05
Trade payables	USD	425,156.00	-

Particulars	Forex Currency	Change in forex rate(%)	Effect on profit before tax (in Rs.)	Effect on pre-tax equity (in Rs.)
<b>March 31, 2021</b> <b>- Trade Payables</b>	<b>USD</b>	5% Increase	(1,562,548)	(1,562,548)
		5% Decrease	1,562,548	1,562,548
<b>March 31, 2020</b> <b>- Trade receivables</b>	<b>USD</b>	5% Increase	186,354	186,354
		5% Decrease	(186,354)	(186,354)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

### (iii) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Company only deals with

**Notes to Standalone Financial Statements  
for the year ended March 31, 2021**

parties which has good credit rating/ worthiness given by external rating agencies or based on management's internal assessment. The maximum exposure to the credit risk is equal to the carrying amount of financial assets as of March 31, 2021 and March 31, 2020 respectively.

**(iv). Liquidity Risk**

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments (including interest payments)

	<b>Within 1 year</b>	<b>1 to 5 years</b>	<b>After 5 years</b>	<b>Total</b>
<b>Year ended March 31, 2021</b>				
Borrowings	1,045.27	1,290.79	-	2,336.06
Lease liabilities	222.74	138.00	-	360.74
Other financial liabilities	670.57	2.14	-	672.71
Trade payables	2,941.24	-	-	2,941.24
	<u><b>4,879.82</b></u>	<u><b>1,430.93</b></u>	<u>-</u>	<u><b>6,310.75</b></u>
<b>Year ended March 31, 2020</b>				
Borrowings	1803.98	634.66	-	2,438.64
Lease liabilities	346.96	129.36	-	476.32
Other financial liabilities	534.23	3.43	-	537.66
Trade payables	2,713.42	-	-	2,713.42
	<u><b>5,398.59</b></u>	<u><b>767.45</b></u>	<u>-</u>	<u><b>6,166.04</b></u>

**52 Fair value measurements**

The carrying value of financial instruments by categories is as follows:

<b>Particulars</b>	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Financial assets</b>				
Investments in subsidiaries	29.68	27.93	29.68	27.93
Investments in controlled entity	462.15	112.15	462.15	112.15
Other investments	36.81	42.21	45.05	50.09
Trade receivables	3,662.73	3,892.90	3,662.73	3,892.90
Cash and cash equivalents	148.85	62.51	148.85	62.51
Bank balances other than cash and cash equivalents	353.74	252.17	353.74	252.17
Loans	45.31	26.98	45.31	26.98
Other financial assets	178.15	247.02	178.15	247.02
<b>Total</b>	<b>4,917.42</b>	<b>4,663.87</b>	<b>4,925.66</b>	<b>4,671.75</b>
<b>Financial liabilities</b>				
Borrowings	2,336.06	2,438.64	2,336.06	2,438.64
Lease liabilities	360.74	476.32	360.74	476.32
Trade payables	2,941.24	2,713.42	2,941.24	2,713.42
Other financial liabilities	672.71	537.66	672.71	537.66
<b>Total</b>	<b>6,310.75</b>	<b>6,166.04</b>	<b>6,310.75</b>	<b>6,166.04</b>



# BEARDSELL LIMITED

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Notes to Standalone Financial Statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

## 53 Fair value hierarchy

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values. The management assessed that the cash and cash equivalents, trade receivables, trade payables, fixed deposits, bank overdrafts and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021:

Particulars	March 31, 2021			
	Total amount	Fair Value		
		Level 1	Level 2	Level 3
<b>Asset measured at fair value:</b>				
Equity Investments at fair value through OCI				
Unquoted instruments	44.35	-	-	44.35
Quoted instruments	0.70	0.70	-	-
Derivative instrument not designated as hedge at fair value through profit or loss				
Foreign exchange forward contracts	0.63	-	0.63	-

### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

Particulars	As at March 31, 2020			
	Total amount	Fair Value		
		Level 1	Level 2	Level 3
<b>Asset measured at fair value:</b>				
Equity Investments at fair value through OCI				
Unquoted instruments	49.75	-	-	49.75
Quoted instruments	0.34	0.34	-	-

#### Notes

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

There have been no transfers between the levels during the period.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate.

They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

## 54 Capital management

"For the purpose of the Company's capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company. The Company determines the amount of capital required on the basis of annual operating plans and long-term fleet expansion plans. The funding requirements are met through internal accruals and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings. The Company monitors capital employed using a Debt equity ratio, which is total debt divided by total equity and maturity profile of the overall debt portfolio of the Company."

	March 31, 2021	March 31, 2020
Borrowings	2,755.50	2,943.01
Less: cash and short-term deposits	(222.19)	(134.57)
<b>Net debt</b>	<b>2,533.31</b>	<b>2,808.44</b>
Equity	561.98	561.98
Other equity	3,427.64	3,493.30
<b>Total equity</b>	<b>3,989.62</b>	<b>4,055.28</b>
Gearing ratio	63%	69%

In order to achieve this overall objective, the entity's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current and previous periods. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

## 55 Events after the reporting period

Subsequent to the balance sheet date, in the meeting held on May 07, 2021, the Board of Directors have approved a proposal to raise funds, by way of issue of equity shares of the Company to its eligible shareholders on a right basis ('Rights issue') in a ratio of one share for every three shares held.

## 56 Prior year comparatives

The figures of previous year have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date

**For S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004

**per Aravind K**  
Partner  
Membership no.: 221268  
Place : Chennai

Date : June 30, 2021

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

**Amrith Anumolu**  
Executive Director  
DIN : 03044661  
Place : Hyderabad

**V.V. Sridharan**  
Chief Financial Officer  
Place : Chennai

Date : June 30, 2021

**A.V. Ram Mohan**  
Independent Director  
DIN:02093767  
Place: Chennai

**K Murali**  
Company Secretary  
Place: Chennai

Date : June 30, 2021



**BEARSELL LIMITED**

**CONSOLIDATED  
FINANCIAL  
STATEMENTS**



## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated Financial Statements of Beardsell Limited (hereinafter referred to as “the Holding Company”), its subsidiary and controlled entity (the Holding Company, its subsidiary and controlled entity together referred to as “the Group”) comprising of the Consolidated Balance sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary and controlled entity, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements’ section of our report. We are independent of the Group in accordance with the ‘Code of Ethics’ issued by the Institute of Chartered Accountants of India 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 audit opinion on the Consolidated Financial Statements.

### Emphasis of Matter

We draw attention to Note 2.2 of the Consolidated Financial Statements which describes the continuing impact of Covid-19 pandemic, and its possible consequential implications, if any, on the Group’s operations and the carrying value of its assets as at March 31, 2021. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.



**INDEPENDENT AUDITOR'S REPORT**  
**To the Members of**  
**Beardsell Limited**

Key audit matters	How our audit addressed the key audit matter
<p><b><u>Appropriateness of timing of Revenue recognition</u></b> (as described in Note 2.4.h of the Consolidated Financial Statements)</p>	
<p>The Holding Company has revenue from sale of products from multiple locations geographically spread across India and it currently has a decentralized accounting system. Revenue is recognized based on the accounting policies disclosed in the note 2.4.h to the Consolidated Financial Statements.</p> <p>As part of our overall response to the risk of fraud, when identifying and assessing the risks of material misstatement due to fraud, we evaluate the revenue transactions that might give rise to potential fraud risks. Bonus payouts for employees are determined based various metrics including the financial performance of each location. Hence, we consider there to be a risk of misstatement of the financial statements related to transactions occurring close to the year end, as such transactions could be recorded in the incorrect financial year.</p> <p>In view of the above discussed matters, appropriateness of timing of revenue recognition has been considered as a key audit matter.</p>	<p>In order to address the risk of misstatement related to timing of revenue recognition, our audit response included the following:</p> <ul style="list-style-type: none"> <li>• We read and assessed that the accounting policy of the Group for recognition of revenue is in compliance with Ind AS 115</li> <li>• We understood the Holding Company's revenue process across all product segments in each location, to gain an understanding of revenue recognition process including the design and implementation of controls to address the relevant risks in relation to revenue recognition and tested the operating effectiveness of these controls.</li> <li>• We read on a sample basis, the terms of Company's contracts with customers to determine the timing of transfer of control and the timing of revenue recognition in respect of such contracts and performing sample tests of individual sales transactions with purchase orders / contracts issued by customers and sales invoices raised by the Company.</li> <li>• We performed analytical review procedures to identify any unusual trends close to year end to decide the nature and extent of our testing at each location.</li> <li>• We performed location-wise testing for sales made near the reporting date including considerations due to closure of operations on account of COVID-19 to assess whether the revenue was recognized in the appropriate period with reference to shipping records, sales invoices etc., for sample transactions.</li> </ul>



<b>Key audit matters</b>	<b>How our audit addressed the key audit matter</b>
<b><u>Physical verification of Inventories</u></b> (as described in Note 2.4.g of the Consolidated Financial Statements)	
<p>Inventory pertaining to the Holding Company represents 13.95% of total assets of the Group as at March 31, 2021. Such inventory is held across 6 factories and 9 branches as at the reporting date. Considering the number of locations and the level of inventory held across its factories and branches, the criticality of inventory physical verification to the Holding Company's financial reporting processes as well as the physical verification of inventory at these locations on different dates due to COVID-19 and consequential lockdown restrictions, this is a significant area of audit importance. Accordingly, the above issue has been considered as a key audit matter.</p>	<p>Our audit response consisted of audit procedures included the following:</p> <ul style="list-style-type: none"><li>• We understood the Holding Company's process for establishing the existence of inventories including the design and implementation of monthly controls in relation to physical verification of inventories performed by management at various locations and tested the operating effectiveness of such controls.</li><li>• We observed the physical verification of Inventory conducted by management in certain significant locations selected by us. Our procedures in this regard included<ul style="list-style-type: none"><li>- Inquiring that the stock count instructions were sent by management to appropriate personnel in the relevant location and steps taken by management to ascertain the existence inventory on the date of the count (including identification of non-moving, obsolete / damaged inventory),</li><li>- Performing independent inventory counts on sample basis and reconciling the same to the management counts, and</li><li>- On a sample basis testing the reconciliation of the differences in inventory quantity between the physical count and the books of accounts, including accounting of such variances basis management approval; and</li><li>- Performing roll-forward or roll-backward procedures on sample basis (as applicable) from date of count to the reporting date as the physical verification of inventory was undertaken by management on different dates across various locations during the year in line with the guidance issued by Institute of Chartered Accountants of India ("ICAI") on key audit considerations amid COVID-19.</li></ul></li><li>• We performed analytical reviews of purchases and inventory during the audit period to identify any unusual trends for further testing.</li><li>• On sample basis we performed test of purchase and sales transactions made near the reporting date to assess whether transactions are recorded in the correct period by testing shipping records, sales / purchase invoices (as applicable).</li></ul>

### **Other Information**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement there in, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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



Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Other Matter**

We did not audit the financial statements and other financial information, in respect of the subsidiary, and controlled entity, whose financial statements include total assets of Rs 3,974.17 lakhs as at March 31, 2021, and total revenues of Rs. 2,562.47 lakhs and net cash outflows of Rs 3.65 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and controlled entity, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and controlled entity, is based solely on the report(s) of such other auditors.

Our opinion above on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

## **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary and controlled entity, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

**INDEPENDENT AUDITOR'S REPORT**  
**To the Members of**  
**Beardsell Limited**

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company and its subsidiary company, incorporated in India, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary incorporated in India, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company and its subsidiary incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act. The provisions of Section 197 read with Schedule V of the Act are not applicable to the controlled entity incorporated in India for the year ended March 31, 2021 ;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, as noted in the 'Other matter' paragraph:
- i. The Consolidated Financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its Consolidated Financial Statements – Refer Note 50b to the Consolidated Financial Statements;
  - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021; and
  - iii. Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

Nature of amount	Amount involved	Due date	Transfer date
Unclaimed dividend relating to financial year 2012-13	218,132	December 31, 2020	June 30, 2021

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Aravind K**

Partner

Membership Number: 221268

UDIN: 21221268AAAADW4682

Place of Signature: Chennai

Date: June 30, 2021



## **Annexure 1 to the independent auditor's report of even date on the Consolidated Financial Statements of Beardsell Limited**

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

In conjunction with our audit of the Consolidated Financial Statements of Beardsell Limited as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Beardsell Limited (hereinafter referred to as the "Holding Company") and its subsidiary company incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under Section 143(10) of the Act, 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 with reference to these Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit

evidence about the adequacy of the internal financial controls system over financial reporting with reference to these Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Consolidated Financial Statements, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Consolidated Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these Consolidated Financial Statements 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 with reference to these Consolidated Financial Statements 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 with reference to these Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Consolidated

Financial Statements, 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 with reference to these Consolidated Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company and its subsidiary company incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal

Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matter**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to subsidiary company incorporated in India, and audited by other auditor, is based on the corresponding report of the auditor of such subsidiary company incorporated in India.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: **101049W/E300004**

**per Aravind K**

Partner

Place of Signature: Chennai

Membership Number: 221268

Date: June 30, 2021

UDIN: 21221268AAAADW4682



# BEARDELL LIMITED

CIN No : L65991TN1936PLC001428

Consolidated Balance Sheet as at March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	3a	4,073.43	4,316.12
Capital work in progress	3a	63.10	124.14
Goodwill	3c	242.12	242.12
Intangible assets	3b	61.13	81.51
Right-of-use assets	49	1158.25	1269.80
<b>Financial assets</b>			
Investments	4	45.81	50.85
Loans	5	22.16	7.56
Trade receivables	6	34.82	24.78
Bank balances other than cash and cash equivalents	7	280.40	180.11
Others	8	125.94	106.76
Non-current tax assets (net)	9	23.76	27.64
Deferred tax assets (net)	24	62.29	-
Other non-current assets	10	0.84	11.33
		<b>6,194.05</b>	<b>6,442.72</b>
<b>Current assets</b>			
Inventories	11	1,717.28	1,527.41
<b>Financial assets</b>			
Trade receivables	12	3,183.54	3,318.75
Cash and cash equivalents	13	158.95	76.26
Bank Balances other than cash and cash equivalents	14	86.90	85.62
Loans	15	23.15	19.42
Others	16	81.50	169.55
Other current assets	17	863.20	879.52
		<b>6,114.52</b>	<b>6,076.53</b>
<b>TOTAL ASSETS</b>		<b>12,308.57</b>	<b>12,519.25</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	18	561.98	561.98
Other equity	19	3,386.40	3,469.04
Equity attributable to equity holders of the parent		3,948.38	4,031.02
Non controlling interests		-	-
<b>Total equity</b>		<b>3,948.38</b>	<b>4,031.02</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Financial liabilities			
Borrowings	20	1,488.02	876.98
Lease liabilities	21	179.72	286.07
Other financial liabilities	22	0.83	0.85
Provisions	23	23.96	22.27
Deferred tax liabilities (net)	24	-	16.11
		<b>1,692.53</b>	<b>1,202.28</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	25	1,560.95	2,278.08
Trade payables	26	-	-
Total outstanding dues of micro, small and medium enterprises		-	-
Total outstanding dues of creditors other than micro, small and medium enterprises		3,336.02	3,361.59
Lease liabilities	27	120.13	109.62
Other financial liabilities	28	741.29	646.00
Other current liabilities	29	615.25	558.41
Provisions	30	198.91	173.94
Current tax liabilities (net)	31	95.11	158.31
		<b>6,667.66</b>	<b>7,285.95</b>
<b>Total equity and liabilities</b>		<b>12,308.57</b>	<b>12,519.25</b>

Summary of significant accounting policies

2.4

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**per Aravind K**

Partner

Membership no.: 221268

Place : Chennai

For and on behalf of the Board of Directors

**Beardsell Limited**

**Amrith Anumolu**

Executive Director

DIN : 03044661

Place : Hyderabad

**V.V. Sridharan**

Chief Financial Officer

Place : Chennai

Date : June 30, 2021

**A.V. Ram Mohan**

Independent Director

DIN : 02093767

Place : Chennai

**K. Murali**

Company Secretary

Place : Chennai

Date : June 30, 2021

Date : June 30, 2021



## Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
<b>Income</b>			
Revenue from contracts with customers	32	13,225.21	16,073.68
Other income	33	72.57	58.35
Finance income	34	17.71	39.52
<b>Total income</b>		<b><u>13,315.49</u></b>	<b><u>16,171.55</u></b>
<b>Expenses</b>			
Cost of raw material and components consumed	35	7,309.23	8,901.21
Purchase of traded goods	36	1,002.47	1,226.62
Changes in inventories of finished goods, work-in-progress and traded goods	37	18.18	(137.78)
Employee benefits expense	38	1,464.11	1,756.98
Depreciation and amortisation expense	39	606.92	625.16
Finance costs	40	526.83	640.99
Other expenses	41	2,354.63	3,100.85
<b>Total expenses</b>		<b><u>13,282.37</u></b>	<b><u>16,114.03</u></b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>33.12</b>	<b>57.52</b>
Exceptional items	42	-	69.35
<b>Profit/(loss) before tax</b>		<b>33.12</b>	<b>126.87</b>
<b>Tax expense</b>	45		
Current tax		130.50	200.00
Adjustment of tax relating to earlier periods		33.20	-
Deferred tax		(90.25)	(155.06)
<b>Total tax expense</b>		<b><u>73.45</u></b>	<b><u>44.94</u></b>
<b>Profit/(loss) for the year</b>		<b><u>(40.33)</u></b>	<b><u>81.93</u></b>
<b>Other comprehensive income (OCI) Items not to be reclassified to profit or loss in subsequent periods</b>	43		
Gain/(loss) on equity instruments through OCI		0.35	(0.69)
Income tax effect		(0.09)	0.17
Re-measurement gains / (losses) on defined benefit plans		(19.34)	(4.32)
Income tax effect		4.87	1.09
<b>Other comprehensive income for the year, net of tax</b>		<b><u>(14.21)</u></b>	<b><u>(3.75)</u></b>
<b>Total comprehensive income/(loss) for the year</b>		<b><u>(54.54)</u></b>	<b><u>78.18</u></b>
<b>Earnings Per Equity Share Rs.2/- each fully paid (March 31, 2020: Rs.2/- each fully paid)</b>	44		
Computed on the basis of total profit/(loss) for the year			
Basic (Rs.)		(0.14)	0.29
Diluted (Rs.)		(0.14)	0.29
Summary of significant accounting policies	2.4		

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

**For S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004

**per Aravind K**  
Partner  
Membership no.: 221268  
Place : Chennai

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

**Amrith Anumolu**  
Executive Director  
DIN : 03044661  
Place : Hyderabad

**V.V. Sridharan**  
Chief Financial Officer  
Place : Chennai  
Date : June 30, 2021

**A.V. Ram Mohan**  
Independent Director  
DIN : 02093767  
Place : Chennai

**K. Murali**  
Company Secretary  
Place : Chennai  
Date : June 30, 2021

Date : June 30, 2021



# BEARDELL LIMITED

CIN No : L65991TN1936PLC001428

Consolidated Statement of Changes in Equity for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

## a. Equity Share Capital

### Equity Shares of Rs.2/- Each (March 31, 2020: Rs.2/- each), subscribed and fully paid up

	Number of shares	Rs. In Lakhs
<b>As at April 01, 2019</b>	<b>28,099,008</b>	<b>561.98</b>
Increase/(decrease) during the year	-	-
<b>At March 31, 2020</b>	<b>28,099,008</b>	<b>561.98</b>
Increase/(decrease) during the year	-	-
<b>At March 31, 2021</b>	<b>28,099,008</b>	<b>561.98</b>

## b. Other Equity

Particulars	Reserves and surplus			Items of OCI	Total
	Securities premium (Note 19)	General Reserve (Note 19)	Surplus in Profit and loss (Note 19)	FVTOCI reserve (Note 19)	
<b>As at April 01, 2019</b>	<b>555.65</b>	<b>484.61</b>	<b>2,426.57</b>	<b>5.33</b>	<b>3,472.16</b>
Profit / (loss) for the year	-	-	81.93	-	81.93
Other Comprehensive Income (Note 43)	-	-	(3.23)	(0.52)	(3.75)
<b>Total Comprehensive Income</b>	<b>555.65</b>	<b>484.61</b>	<b>2,505.27</b>	<b>4.81</b>	<b>3,550.34</b>
Cash dividend (Including dividend distribution tax)	-	-	(81.30)	-	(81.30)
<b>As at March 31, 2020</b>	<b>555.65</b>	<b>484.61</b>	<b>2,423.97</b>	<b>4.81</b>	<b>3,469.04</b>
Profit / (loss) for the year	-	-	(40.33)	-	(40.33)
Other Comprehensive Income (Note 43)	-	-	(14.47)	0.26	(14.21)
<b>Total Comprehensive Income</b>	<b>555.65</b>	<b>484.61</b>	<b>2,369.16</b>	<b>5.07</b>	<b>3,414.50</b>
Cash dividend (Including dividend distribution tax)	-	-	(28.10)	-	(28.10)
<b>As at March 31, 2021</b>	<b>555.65</b>	<b>484.61</b>	<b>2,341.06</b>	<b>5.07</b>	<b>3,386.40</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

### For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

### per Aravind K

Partner

Membership no.: 221268

Place : Chennai

For and on behalf of the Board of Directors

**Beardsell Limited**

### Amrith Anumolu

Executive Director

DIN : 03044661

Place : Hyderabad

### A.V. Ram Mohan

Independent Director

DIN : 02093767

Place : Chennai

### V.V. Sridharan

Chief Financial Officer

Place : Chennai

### K. Murali

Company Secretary

Place : Chennai

Date : June 30, 2021

Date : June 30, 2021

Date : June 30, 2021

## Consolidated Statement of Cash Flows for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Cash flows from operating activities</b>		
<b>Profit/(loss) before exceptional items and tax</b>	<b>33.12</b>	<b>57.52</b>
Adjustments for		
Depreciation and amortisation expense	606.92	625.16
Loss/ (gain) on sale of property, plant and equipment (net)	(4.76)	(5.21)
Dividend income	(0.02)	(0.06)
Finance income	(17.71)	(39.52)
Liabilities no longer required written back	(4.42)	(12.85)
Allowance for credit loss	81.45	474.12
Finance costs	526.83	640.99
Net foreign exchange differences	(12.40)	(5.22)
<b>Operating profit before working capital changes</b>	<b>1,209.01</b>	<b>1,734.93</b>
<b>Movement in working capital</b>		
(Increase) / Decrease in inventories	(189.87)	(143.73)
(Increase) / Decrease in current and non-current trade receivables	43.72	97.46
(Increase) / Decrease in financial and non-financial assets	50.17	(66.13)
(Increase) / Decrease in other assets	16.32	(155.53)
(Decrease) / Increase in trade payables	(8.75)	(180.17)
(Decrease) / Increase in financial, non-financial liabilities and provisions	289.25	(82.64)
<b>Cash generated from operations</b>	<b>1,409.85</b>	<b>1,204.19</b>
Income tax paid (net of refunds)	(206.39)	8.48
<b>Net cash flows from operating activities (A)</b>	<b>1,203.46</b>	<b>1,212.67</b>
<b>Cash flow used in investing activities</b>		
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(130.54)	(553.34)
Proceeds from sale of property, plant and equipment	11.30	28.80
Deposits made during the year (net of refunds)	(165.29)	-
Proceeds from deposits during the year	65.00	48.14
Dividends received	0.02	0.06
Finance income received	17.65	37.29
<b>Net cash flow used in investing activities before exceptional items</b>	<b>(201.87)</b>	<b>(439.05)</b>
Cash flow from exceptional items (refer note 42)	-	205.00
<b>Net cash flow used in investing activities after exceptional items (B)</b>	<b>(201.87)</b>	<b>(234.05)</b>



# BEARSELL LIMITED

CIN No : L65991TN1936PLC001428

Consolidated Statement of Cash Flows for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	March 31, 2021	March 31, 2020
<b>Net cash flow used in financing activities</b>		
Proceeds from long-term borrowings	953.90	562.50
Repayment of long-term borrowings	(468.35)	(295.12)
Proceeds / (repayment) of short - term borrowings (net)	(719.59)	(634.54)
Dividend paid (including dividend distribution tax)	(26.82)	(82.43)
Payment of principal portion of lease liabilities	(129.34)	(131.13)
Interest paid	(528.70)	(646.18)
<b>Net cash flows (used in)/ from financing activities (C)</b>	<b>(918.90)</b>	<b>(1,226.90)</b>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	82.69	(248.28)
Cash and cash equivalents at the beginning of the year	76.26	324.54
<b>Cash and cash equivalents at the year end</b>	<b>158.95</b>	<b>76.26</b>
<b>Components of cash and cash equivalents</b> (Refer Note.13)		
Cash on hand	9.96	9.92
Balances with banks		
On current accounts	148.99	66.34
<b>Total cash and cash equivalents</b>	<b>158.95</b>	<b>76.26</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**per Aravind K**

Partner

Membership no.: 221268

Place : Chennai

Date : June 30, 2021

For and on behalf of the Board of Directors

**Beardsell Limited**

**Amrith Anumolu**

Executive Director

DIN : 03044661

Place : Hyderabad

**V.V. Sridharan**

Chief Financial Officer

Place : Chennai

Date : June 30, 2021

**A.V. Ram Mohan**

Independent Director

DIN : 02093767

Place : Chennai

**K. Murali**

Company Secretary

Place : Chennai

Date : June 30, 2021

# Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021

## 1. Corporate information

The consolidated financial statements comprise consolidated financial statements of Beardsell Limited (the Group) and its subsidiary and controlled entity (collectively, the Group) for the year ended March 31, 2021.

The Group is a prominent manufacturer and supplier of Expanded Polystyrene products, popularly known as thermocole and Prefabricated Buildings that have wide industrial applications. The Group also undertakes erection, commissioning and maintenance works in the field of hot and cold insulation solutions. The Group has major manufacturing facilities in Thane, Chennai, Hyderabad, Karad, Malur and Hapur and branches with geographical spread across India. In addition, the Group has trading operations in domestic and international market.

These consolidated financial statements were authorised for issue in accordance with a resolution of the directors on June 30, 2021.

## 2. Significant accounting policies

### 2.1. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities which have been measured at fair value (refer accounting policy regarding financial instruments)

The consolidated financial statements are presented in INR and all values are rounded off to the nearest lakh, except when otherwise indicated.

### 2.2. Impact of Covid-19 Pandemic

The Group has considered the possible effects that may result from the COVID-19 pandemic on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these consolidated financial statements has used internal and external information which are relevant in determining the expected future performance of the Group. The Group has evaluated its liquidity position, recoverability of such assets and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

### 2.3. Basis of consolidation

The consolidated financial statements comprise the consolidated financial statements of the Company and its subsidiary and controlled entity as at March 31, 2021 as mentioned in Group information. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

The contractual arrangement with the other vote holders of the investee

- (i) Rights arising from other contractual arrangements
- (ii) The Company's voting rights and potential voting rights
- (iii) The size of the Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary



# BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Company uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Company member's consolidated financial statements in preparing the consolidated financial statements to ensure conformity with the Company's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the consolidated financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(ii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

## 2.4. Summary of significant accounting policies

### a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii. Held primarily for the purpose of trading
- iii. Expected to be realised within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle
- ii. It is held primarily for the purpose of trading
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021

Based on the nature of products/activities, the Group has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.

### b) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use but excludes duties and taxes that are recoverable from tax authorities. Any trade discounts and rebates are deducted in arriving at the purchase price.

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably

Material replacement cost is capitalized provided (a) it is probable that future economic benefits associated with the item will flow to the entity and (b) the cost of the item can be measured reliably. When replacement cost is eligible for capitalization, the carrying amount of those parts that are replaced in derecognized. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful life.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

The Group identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital Work-in-Progress: Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and attributable interest. Once it has becomes available for use, their cost is re-classified to appropriate caption and subjected to depreciation.

### c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. 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. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

### d) Depreciation and amortisation

Depreciation & amortization is provided using the Straight-Line Method as per the useful lives of the assets estimated by the management:

Asset description	Useful Lives (Years)
<b>Property, plant and equipment</b>	
Plant & Machinery	5 - 15
Building	30 - 60
Computers	3
Vehicles	8 - 10
Office Equipment	5
Furniture and fittings	5 - 10



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Notes to Consolidated Financial Statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Leasehold assets are amortised using the straight-line method over the remainder of primary lease period.

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

Property, Plant and Equipment and Intangibles are depreciated/- amortised based on their useful lives which are in line with Schedule II of Companies Act, 2013

## e) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Group as lessee

The Group applies a single recognition and measurement approach for all leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term as follows:

Asset description	Useful Lives (Years)
Plant & Machinery	5
Leasehold land	99
Building	1 - 9

### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.



### **Sale and lease back arrangements**

Profit or loss on sale and lease back arrangements resulting in operating leases is recognized immediately in case the transaction is established at fair value. If the sale price is below fair value, any profit or loss is recognised immediately except that, if the loss is compensated by future lease payments at below market price, it is deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over the fair value is deferred and amortized over the period for which the asset is expected to be used.

The sale and lease back arrangements entered in by the Group which result in operating lease wherever applicable are as per the standard commercial terms prevalent in the industry. The Group does not have an option to buy back the asset, nor does it have an unilateral option to renew or extend the lease after the expiry of the lease.

### **f) Impairment of non-financial assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment including impairment on inventories, are recognized in the statement of profit and loss. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### **g) Inventories**

Raw materials and stores & spare parts are valued at lower of weighted average cost and estimated net realisable value. Cost includes freight, taxes and duties and is net of credit under GST, VAT, CENVAT scheme, where applicable.

Work-in-progress and finished goods are valued at lower of weighted average cost and estimated net realisable value. Cost includes all direct costs and appropriate proportion of overheads to bring the goods to the present location and condition.

Due allowance is made for slow/non-moving items. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.



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Notes to Consolidated Financial Statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of traded goods includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis.

## **h) Revenue from contracts with customers and Other income**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

However, Goods and Service tax (GST) are not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition Criteria described below must also be met before revenue is recognised.

### **i. Sale of products/ goods**

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customers. The normal credit term is in the range of 30 to 90 days upon delivery except for some customers who are on advance payment terms. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

### **ii. Service Income**

Revenue from rendering of services is recognized with reference to the stage of completion determined based on estimate of work performed, and when the outcome of the transaction can be estimated reliably.

## **Contract balances**

### **Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

### **Trade receivables**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (t) Financial instruments – initial recognition and subsequent measurement.

### **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

## Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021

### **Cost to obtain a contract**

The Group pays sales commission to agents for obtaining the contract. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions because the amortisation period of the asset that the Group otherwise would have used is one year or less.

### **iii. Interest income**

Revenue is recognised on a time proportion basis using the effective interest rate (EIR). Interest income is included in finance income in the statement of profit and loss.

### **iv. Dividend income**

Dividend income is accounted for when the right to receive it is established.

### **v. Rental Income**

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

### **i) Foreign currency transactions**

**The financial statements are presented in Indian Rupees, which is the functional currency of the Group.**

**Initial recognition:** Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date the transaction first qualifies for the recognition.

**Measurement as at Balance Sheet date:** Foreign currency monetary items of the Group outstanding at the Balance Sheet date are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**Treatment of Exchange Differences:** Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Group are recognised as income or expense in profit or loss.

### **j) Government Grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant or subsidy from the Government relates to an expense item, it is recognised as income on a systematic basis in the statement of profit and loss over the period necessary to match them with the related costs, which they are intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset, i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value of the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

### **k) Research and development**

Revenue expenditure on research and development is expensed when incurred. Capital expenditure on research and development is capitalised under Property, Plant and Equipment and depreciated in accordance with the entity's accounting policy on depreciation.



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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

## **l) Retirement and other employee benefits**

Retirement benefit in the form of Provident Fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. There are no other obligations other than the contribution payable to the respective fund.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit method made at the end of each financial year.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated absences, which are expected to occur within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats compensated absences expected not to occur within twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

## **m) Taxes**

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax Credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax Credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and written off to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised

## Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021

deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### **n) Provisions**

A provision is recognized when an enterprise has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for warranty-related costs are recognized when the product is sold or service provided. Provision is estimated based on historical experience and technical estimates. The estimate of such warranty-related costs is reviewed annually.

### **o) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

### **p) Segment reporting**

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

### **q) Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalisation of Borrowing Costs is suspended and



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charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.

## r) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability
- iii. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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:

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group 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.

## s) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **Financial assets**

#### **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the 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.

#### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- i. Debt instruments at amortised cost
- ii. Debt instruments at fair value through other comprehensive income (FVTOCI)

## Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021

- iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

### Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- i. The rights to receive cash flows from the asset have expired, or
- ii. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and Credit risk exposure:

- i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance



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- ii. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in Credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets, the Group determines that whether there has been a significant increase in the Credit risk since initial recognition. If Credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if Credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, Credit quality of the instrument improves such that there is no longer a significant increase in Credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected Credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original EIR. When estimating the cash flows, the Group is required to consider:

- i. All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Group is required to use the remaining contractual term of the financial instrument
- ii. Cash flows from the sale of collateral held or other Credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- i. Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off Criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in Credit risk and impairment loss, the Group combines financial instruments on the basis of shared Credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in Credit risk to be identified on a timely basis.

## Financial liabilities

### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include loans and borrowings, trade and other payables.

### Subsequent measurement

### Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred



## Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021

for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the Criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own Credit risks are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### **Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

### **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### **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

#### **t) Derivative financial instruments**

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

#### **u) Use of estimates**

The preparation of Consolidated Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, like provision for employee benefits, provision for doubtful trade receivables/advances/contingencies, provision for warranties, allowance for slow/non-moving inventories, useful life of Property, Plant and Equipment, provision for taxation, etc., during and at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.



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## **v) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

## **w) Cash dividend**

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

## **x) Earnings Per Share (EPS)**

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

## **y) Equity Investment in Subsidiaries and Controlled entities**

Investment in Subsidiaries and Controlled entities are carried at cost in the Separate Financial Statements as permitted under Ind AS 27.

## **z) Changes in accounting policies and disclosures**

### **New and amended standards and interpretations**

#### **(i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions**

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the consolidated financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019. This amendment had no material impact on the consolidated financial statements of the Group.

#### **(ii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material**

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose consolidated financial statements make on the basis of those consolidated financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the consolidated financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated

## Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021

financial statements of, nor is there expected to be any future impact to the Group.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. This amendment had no impact on the consolidated financial statements of the Group.

### **(iii) Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform**

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1 April 2020. This amendment had no impact on the consolidated financial statements of the Group.

### **Standards notified but not yet effective**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued Companies (Indian Accounting Standards) Amendment Rules, 2021 to amend Ind AS. These are consequential amendments due to Conceptual Framework for Financial Reporting under Ind AS and Interest Rate Benchmark Reform— Phase 2 (Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116) and COVID-19 Related Rent Concessions beyond June 30, 2021.

The above amendments are effective from June 18, 2021. The Company will apply these amendments to the extent applicable from the effective date. However, the Company's does not expect any effect due to these amendments on its standalone financial statements.



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## 3a Property, plant and equipment

Particulars	Freehold land	Buildings on Freehold Land	Plant and Equipment	Computer	Furniture, Fixtures & Office Equipment	Leasehold improvements	Vehicles	Total Property, Plant and equipment	Capital work-in-progress
<b>Gross block</b>									
<b>As at April 01, 2019</b>	530.63	703.24	3,760.99	38.58	50.88	10.01	443.18	<b>5,537.51</b>	113.78
Additions	-	45.34	406.08	3.62	17.96	-	57.30	<b>530.30</b>	259.13
Disposals	-	-	(21.77)	-	-	-	(24.70)	<b>(46.47)</b>	-
Capitalisation	-	-	-	-	-	-	-	<b>-</b>	(248.77)
<b>As at March 31, 2020</b>	<b>530.63</b>	<b>748.58</b>	<b>4,145.30</b>	<b>42.20</b>	<b>68.84</b>	<b>10.01</b>	<b>475.78</b>	<b>6,021.34</b>	<b>124.14</b>
Additions	-	22.81	166.99	4.13	1.32	-	16.17	<b>211.42</b>	127.56
Disposals	-	-	(12.05)	(2.80)	(2.98)	-	(6.63)	<b>(24.46)</b>	-
Capitalisation	-	-	-	-	-	-	-	<b>-</b>	(188.60)
<b>As at March 31, 2021</b>	<b>530.63</b>	<b>771.39</b>	<b>4,300.24</b>	<b>43.53</b>	<b>67.18</b>	<b>10.01</b>	<b>485.32</b>	<b>6,208.30</b>	<b>63.10</b>
<b>Depreciation</b>									
<b>As at April 01, 2019</b>	-	135.84	911.87	31.47	36.76	2.15	171.59	<b>1,289.68</b>	-
Charge for the year	-	39.31	317.12	4.56	9.01	1.76	65.10	<b>436.86</b>	-
Disposals	-	-	(8.95)	-	-	-	(12.37)	<b>(21.32)</b>	-
<b>As at March 31, 2020</b>	-	<b>175.15</b>	<b>1,220.04</b>	<b>36.03</b>	<b>45.77</b>	<b>3.91</b>	<b>224.32</b>	<b>1,705.22</b>	-
Charge for the year	-	42.05	328.32	4.84	6.93	0.93	64.50	<b>447.57</b>	-
Disposals	-	1.83	(6.60)	(2.69)	(4.03)	-	(6.43)	<b>(17.92)</b>	-
<b>As at March 31, 2021</b>	-	<b>219.03</b>	<b>1,544.76</b>	<b>38.18</b>	<b>48.67</b>	<b>4.84</b>	<b>282.39</b>	<b>2,134.87</b>	-
<b>Net carrying value</b>									
<b>As at March 31, 2020</b>	<b>530.63</b>	<b>573.43</b>	<b>2,925.26</b>	<b>6.17</b>	<b>23.07</b>	<b>6.10</b>	<b>251.46</b>	<b>4,316.12</b>	<b>124.14</b>
<b>As at March 31, 2021</b>	<b>530.63</b>	<b>552.36</b>	<b>2,758.48</b>	<b>5.35</b>	<b>18.51</b>	<b>5.17</b>	<b>202.93</b>	<b>4,073.43</b>	<b>63.10</b>

\*On transition to Ind AS (i.e. 1 April 2016), the Group had elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

### (i) Charge on assets

a) The Rupee term loans from Bank of India are secured by equitable mortgage over the land and buildings there on at Karad (4.10 acres), Coimbatore (3.50 acres), Bonithapally (1.40 acres), Chennai-Thiruvallur (6.98 acres), Bihar (3.99 acres) and Thane (1.85 acres). The Group has deposited the original title deeds of all the above mentioned properties with the Bank. In addition to the above the Group has also hypothecated Holding Company's Inventory and Trade receivables.

b) The Rupee term loans from Saraswat Bank are secured by equitable mortgage over the land and buildings there on at SUPA. The Group has deposited the original title deeds of all the above mentioned properties with the Bank. In addition to the above the Group has also hypothecated the Subsidiary Company's Inventory and Trade receivables.

### (ii) Hire purchase arrangements

The carrying value of vehicles held under hire purchase contracts at March 31, 2021 was Rs. 100.32 (March 31, 2020: Rs. 107.28). Additions during the year include Rs. 16.17 (March 31, 2020: Rs. 57.30) of vehicles under hire purchase contracts. Assets under hire purchase contracts are hypothecated as security for the related hire purchase liabilities.



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## 3b Intangible assets

Particulars	Software	Total Intangible assets
<b>Gross block</b>		
<b>As at April 01, 2019</b>	11.38	11.38
Additions	93.55	93.55
Disposals	-	-
<b>As at March 31, 2020</b>	<b>104.93</b>	<b>104.93</b>
Additions	2.30	2.30
Disposals	-	-
<b>As at March 31, 2021</b>	<b>107.23</b>	<b>107.23</b>
<b>Depreciation</b>		
<b>As at April 01, 2019</b>	0.88	<b>0.88</b>
Charge for the year	22.54	<b>22.54</b>
Disposals	-	-
<b>As at March 31, 2020</b>	<b>23.42</b>	<b>23.42</b>
Charge for the year	22.68	22.68
Disposals	-	-
<b>As at March 31, 2021</b>	<b>46.10</b>	<b>46.10</b>
<b>Net carrying value</b>		
<b>As at March 31, 2020</b>	<b>81.51</b>	<b>81.51</b>
<b>As at March 31, 2021</b>	<b>61.13</b>	<b>61.13</b>

## 3c Goodwill

Particulars	March 31, 2021	March 31, 2020
<b>Opening balance at the beginning of the year</b>	<b>242.12</b>	<b>242.12</b>
Movement during the year	-	-
<b>Closing balance at the end of the year</b>	<b>242.12</b>	<b>242.12</b>
<b>Impairment</b>		
<b>Opening balance at the beginning of the year</b>	-	-
Movement during the year	-	-
<b>Closing balance at the end of the year</b>	-	-
<b>Goodwill as at end of the year</b>	<b>242.12</b>	<b>242.12</b>

### Goodwill recognized at the time of acquisition of Saideep Polytherm (controlled entity)

The Goodwill recognised at the time of acquisition of Saideep Polytherm represents the total Goodwill carried by the Group. The recoverable amount of the Investments has been determined based on Value in Use calculation using cash flow projections from financial budgets approved by the senior management covering a five year period. The cash flow projections have been updated to reflect the impact of COVID-19. The discount rate applied to cash flow projections for Impairment testing during the current year is 15% and cash flow beyond the five years are extrapolated using a growth rate of 4% that is the same as the long term average growth rate for the industry in which the Group operates. It was concluded that the fair value less costs of disposal did not exceed the value in use and the recoverable amounts exceeded their carrying amount. The calculation of value in use for Saideep Polytherm is relatively sensitive to the assumptions relating to gross margin, discount rate and growth rate.

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<b>4 Non-current investments (fully paid up)</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Investments</b> <i>(Unquoted equity instruments at fair value through OCI)</i>		
- 18,000 (March 31, 2020 : 18,000) equity shares of Rs. 10/- each fully paid up in Hyderabad EPS Products Private Limited (At cost less provision for impairment allowance Rs. 180,000 (March 31, 2020 : Rs. 180,000))	-	-
- 5,300 (March 31, 2020 : 5,300) equity shares of Rs. 100/- each fully paid up in Pink Packaging & Moulding Private Limited (At cost less provision for impairment allowance Rs. 750,000 (March 31, 2019 : Rs. 750,000))	-	-
- 6,000 (March 31, 2020 : 6,000) equity shares of Rs. 10/- each fully paid up in Sure Energy Systems Private Limited	25.00	25.00
- 1,000 (March 31, 2020 : 1,000) equity shares of Rs. 10/- each fully paid up in Ahmednagar Merchant Co-operative Bank	0.01	0.01
- 7,500 (March 31, 2020 : 5,000) equity shares of Rs. 10/- each fully paid up in Saraswat Co-operative Bank Ltd	0.75	0.75
- 169,878 (March 31, 2020 : 214,878) equity shares of Rs. 10/- each fully paid up in Frontline Power Corporation Limited	19.35	24.75
<b>Total of un-quoted equity instruments at fair value through OCI (i)</b>	<b>45.11</b>	<b>50.51</b>
<i>(Quoted equity instruments at fair value through OCI)</i>		
- 1,000 (March 31, 2020 : 1,000) equity shares of Rs. 2/- each fully paid up in Nava Bharat Ventures Limited	0.70	0.34
<b>Total of quoted equity instruments at fair value through OCI (ii)</b>	<b>0.70</b>	<b>0.34</b>
<b>Total Investments (i) + (ii)</b>	<b>45.81</b>	<b>50.85</b>
Aggregate book value of quoted investments	1.49	1.49
Aggregate market value of quoted investment	0.70	0.34
Aggregate value of unquoted investments	54.41	59.81
Aggregate amount of impairment in value of investments	(9.30)	(9.30)
Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity securities . These equity shares are designated as FVTOCI as they are not held for trading purpose and are not in similar line of business as the Company. Thus, disclosing their fair value fluctuation in profit or loss will not reflect the purpose of holding. Refer Note 54 for determination of their fair values.		
<b>5 Loans</b> (non-current)		
Loans to employees - secured, considered good	4.57	2.71
Loans to employees - unsecured, considered good	17.59	4.85
<b>Total</b>	<b>22.16</b>	<b>7.56</b>
Loans to employees are non-derivative financial assets which generate interest income for the Group. Vehicle loans to employees are secured by hypothecation of vehicles acquired out of the loan.		
<b>6 Trade receivables</b> (non-current)		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Trade receivables	34.82	24.78
<b>Total</b>	<b>34.82</b>	<b>24.78</b>
No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person.		



# BEARDSELL LIMITED

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Notes to Consolidated Financial Statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	March 31, 2021	March 31, 2020
<b>7 Bank balances other than cash and cash equivalents</b> (non-current)		
<b>In earmarked accounts</b>		
Balances held as margin money	280.40	180.11
<b>Total</b>	<b>280.40</b>	<b>180.11</b>
<b>8 Other non-current financial assets</b>		
(Unsecured, considered good unless otherwise stated)		
Security Deposits	125.94	106.76
<b>Total</b>	<b>125.94</b>	<b>106.76</b>
<b>9 Non-current tax assets (net)</b>		
(Unsecured, considered good unless otherwise stated)		
Advance income tax net of provision for tax	23.76	27.64
<b>Total</b>	<b>23.76</b>	<b>27.64</b>
<b>10 Other non-current assets</b>		
(Unsecured, considered good unless otherwise stated)		
Capital advance	0.84	11.33
<b>Total</b>	<b>0.84</b>	<b>11.33</b>
<b>11 Inventories</b>		
(Cost or net realisable value whichever is lower)		
Raw materials and packing materials	746.39	548.27
Work-in-progress	98.07	101.03
Finished goods	572.73	585.20
Stock-in-trade (acquired for trading)	215.87	218.62
Stores and spares	84.22	74.29
<b>Total</b>	<b>1,717.28</b>	<b>1,527.41</b>
During the year ended March 31, 2021, Rs. 12.35 (March 31, 2020 : Rs. 24.18) was recognised for the inventories carried at net realisable value.		
<b>12 Trade Receivables</b>		
(Unsecured, considered good unless otherwise stated)		
Trade receivables	3,181.75	3,315.15
Receivables from related parties (Refer Note.48)	1.79	3.60
<b>Total trade receivables</b>	<b>3,183.54</b>	<b>3,318.75</b>
<b>Trade receivables</b>		
Considered good	3,183.54	3,318.75
Significant increase in credit Risk	28.56	20.82
Credit impaired	808.56	730.08
<b>Total trade receivables</b>	<b>4,020.66</b>	<b>4,069.65</b>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
Significant increase in credit Risk	(28.56)	(20.82)
Credit impaired	(808.56)	(730.08)
<b>Total Impairment allowance</b>	<b>(837.12)</b>	<b>(750.90)</b>
<b>Total trade receivables (net)</b>	<b>3,183.54</b>	<b>3,318.75</b>

**Notes forming part of  
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for the year ended March 31, 2021**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade Receivables are non-interest bearing and generally have credit period ranging from 30 - 90 days. For terms and conditions relating to related party receivables, refer note 48.

**March 31, 2021      March 31, 2020**

**Reconciliation of Provision / Impairment for Receivables**

Opening Balance as at beginning of the year		
Created during the year (Net)	750.90	331.67
<b>Closing Balance as at end of the year</b>	<b>86.22</b>	<b>419.23</b>
	<b>837.12</b>	<b>750.90</b>

**13 Cash and cash equivalents**

Balances with Banks		
On current accounts	148.99	66.34
Cash on hand	9.96	9.92
<b>Total</b>	<b>158.95</b>	<b>76.26</b>

As at 31st March 2021, the Company had undrawn committed borrowing facilities of Rs. 767.18 (31st March 2020 - Rs. 328.32).

**Changes in liabilities arising from financing activities**

**Year ended March 31, 2021**

Particulars	As at March 31, 2020	Effect of reclassification	Cash inflows / (outflows)	As at March 31, 2021
<b>Non-current Financial liabilities - Borrowings</b>				
Indian Rupee loans from banks (Secured)	494.47	(386.29)	477.25	585.43
Obligations under hire purchase contracts (Secured)	30.21	(16.30)	13.84	27.75
Unsecured deposits from members - related parties (refer note 47)	20.00	(20.00)	-	-
Unsecured deposits from members - others	82.30	(3.66)	21.20	99.84
Unsecured inter corporate deposits	250.00	150.00	-	400.00
Unsecured loans and advances from related parties (refer note 47)	-	125.00	250.00	375.00
<b>Current Financial liabilities - Borrowings</b>				
Cash credit from banks (secured)	1,820.78	-	(467.28)	1,353.50
Unsecured inter corporate deposits	22.00	-	-	22.00
Unsecured loans and advances from related parties (refer note 47)	390.75	(125.00)	(178.00)	87.75
Unsecured deposits from members - related parties (refer note 47)	5.00	-	85.83	90.83
Unsecured deposits from members - others	39.55	-	(32.68)	6.87
<b>Current Financial liabilities - Other financial liabilities</b>				
Current maturities of long term borrowings	184.63	386.29	(190.67)	380.25
Current maturities of hire purchase loans	33.30	16.30	(19.79)	29.81
Current maturities of unsecured deposits from members - related parties (refer note 47)	80.18	20.00	(80.18)	20.00
Current maturities of unsecured deposits from members - others	68.61	3.66	(11.10)	61.17
Current maturities of unsecured inter corporate deposits	250.00	(150.00)	(100.00)	-
<b>Total</b>	<b>3,771.78</b>	<b>-</b>	<b>(231.58)</b>	<b>3,540.20</b>





# BEARDSELL LIMITED

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Notes to Consolidated Financial Statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

## Year ended March 31, 2020

Particulars	As at March 31, 2019	Effect of reclassification	Cash inflows / (outflows)	As at March 31, 2020
<b>Non-current Financial liabilities - Borrowings</b>				
Indian Rupee loans from banks (Secured)	366.46	(184.37)	312.38	494.47
Obligations under hire purchase contracts (Secured)	20.51	(36.21)	45.91	30.21
Unsecured deposits from members - related parties (refer note 48)	100.18	(80.18)	-	20.00
Unsecured deposits from members - others	122.45	(51.21)	11.06	82.30
Unsecured inter corporate deposits	-	250.00	-	250.00
<b>Current Financial liabilities - Borrowings</b>				
Cash credit from banks (secured)	2,153.41	-	(332.63)	1,820.78
Unsecured inter corporate deposits	542.00	(500.00)	(20.00)	22.00
Unsecured loans and advances from related parties (refer note 48)	377.83	-	12.92	390.75
Unsecured deposits from members - related parties (refer note 48)	5.00	-	-	5.00
Unsecured deposits from members - others	45.80	-	(6.25)	39.55
<b>Current Financial liabilities - Other financial liabilities</b>				
Current maturities of long term borrowings	238.45	184.37	(238.19)	184.63
Current maturities of hire purchase loans	42.89	36.21	(45.80)	33.30
Current maturities of unsecured deposits from members - related parties (refer note 48)	-	80.18	-	80.18
Current maturities of unsecured deposits from members - others	67.04	51.21	(49.64)	68.61
Current maturities of unsecured inter corporate deposits	-	250.00	-	250.00
<b>Total</b>	<b>4,082.02</b>	<b>-</b>	<b>(310.24)</b>	<b>3,771.78</b>

March 31, 2021      March 31, 2020

## 14 Bank Balances other than cash and cash equivalents

### In earmarked accounts

Unclaimed dividend accounts *	19.84	18.56
Others (refer note below) #	67.06	67.06
<b>Total</b>	<b>86.90</b>	<b>85.62</b>

\* There are restrictions on the bank balances held in unpaid dividend accounts.

# Other earmarked accounts represent fixed deposits made in pursuance of Rule 13 of the Companies (Acceptance of Deposits) Rules 2014.

## 15 Loans (Current)

(Unsecured, considered good unless stated otherwise)

Loans to employees - secured, considered good	2.45	1.36
Loans to employees - unsecured	20.70	18.06
<b>Total</b>	<b>23.15</b>	<b>19.42</b>

Loans to employees are non-derivative financial assets which generate interest income for the Group. Vehicle loans to employees are secured by hypothecation of vehicles acquired out of the loan.

**Notes forming part of  
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**16 Others current financial assets**

(Unsecured, considered good unless stated otherwise)

Security deposits	79.92	92.09
Unbilled revenue on projects	-	76.88
Interest receivable	0.95	0.58
Derivative instrument at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts	0.63	-
<b>Total</b>	<b><u>81.50</u></b>	<b><u>169.55</u></b>

**Breakup of financial assets**

	March 31, 2021	March 31, 2020
<b>At amortised cost</b>		
Non-current and current loans	45.31	26.98
Non-current and current Trade receivables	3,218.36	3,343.53
Cash and cash equivalents	158.95	76.26
Non-current and current Bank balances other than cash and cash equivalents	367.30	265.73
Other non-current and current financial assets	206.81	276.31
<b>Total financial assets carried at amortised cost</b>	<b><u>3,996.73</u></b>	<b><u>3,988.81</u></b>

**17 Others current assets**

(Unsecured, considered good unless otherwise stated)

	March 31, 2021	March 31, 2020
Advance paid for jobs in progress		
- Considered good	266.75	262.44
- Considered doubtful	116.20	120.96
Advances for supply and services	347.76	324.09
Prepayments	74.43	71.38
Balances with Statutory / Government Authorities (net)	57.51	77.03
Surplus gratuity fund balance (Refer Note.46)	26.85	33.21
Other advances	89.90	111.37
Less: Allowance for credit loss against doubtful advances	(116.20)	(120.96)
<b>Total</b>	<b><u>863.20</u></b>	<b><u>879.52</u></b>

**Reconciliation of allowance for credit loss against doubtful advances**

Opening Balance as at beginning of the year	120.96	41.47
Created during the year (Net)	(4.76)	79.49
<b>Closing Balance as at end of the year</b>	<b><u>116.20</u></b>	<b><u>120.96</u></b>

**18 Share Capital**

**18.1 Authorised share capital**

**Equity shares of Rs.2/- each** (March 31, 2020: Rs.2/- each)

	Number of shares	Rs. in Lakhs
<b>At April 1, 2019</b>	<b>50,000,000</b>	<b>1,000.00</b>
Increase / (decrease) during the year	-	-
<b>At March 31, 2020</b>	<b><u>50,000,000</u></b>	<b><u>1,000.00</u></b>
Increase / (decrease) during the year	-	-
<b>At March 31, 2021</b>	<b><u>50,000,000</u></b>	<b><u>1,000.00</u></b>



# BEARDELL LIMITED

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Notes to Consolidated Financial Statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

## 18.2 Issued, Subscribed and Paid-up Capital

**Equity shares of Rs.2/- each** (March 31, 2020: Rs.2/- each)  
**issued, subscribed and fully paid**

	Number of shares	Rs. in Lakhs
<b>At April 1, 2019</b>	<b>28,099,008</b>	<b>561.98</b>
Increase/(decrease) during the year	-	-
<b>At March 31, 2020</b>	<b>28,099,008</b>	<b>561.98</b>
Increase/(decrease) during the year	-	-
<b>At March 31, 2021</b>	<b>28,099,008</b>	<b>561.98</b>

## 18.3 Terms/ rights attached to shares

The Company has issued only one class of equity shares having a par value of Rs.2/- per share. Each holder of equity share is entitled to one vote per share. The Company declares dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## 18.4 Details of shareholders holding more than 5% shares in the Company

	March 31, 2021		March 31, 2020	
	Number of shares held	% holding	Number of shares held	% holding
Mrs. Jayasree Anumolu	9,091,614	32.36 %	9,091,614	32.36 %
Mr. Bharat Anumolu	3,800,694	13.53 %	5,558,848	19.78 %
M/s. Gunnam Subba Rao Insulation Private Limited	3,328,320	11.84 %	3,328,320	11.84 %

As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

## 18.5 Aggregate number of bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

- On May 05, 2017, one equity share of face value Rs.10/- each was split into five equity shares of Rs.2/- each. Accordingly, 10,000,000 authorised equity shares of Rs.10/- each were sub-divided into 50,000,000 authorised equity shares of Rs.2/- each and 4,683,168 fully paid up shares of Rs.10/- each were sub-divided into 23,415,840 fully paid up shares of Rs.2/- each.
- On May 06, 2017, the Company issued bonus shares to the existing shareholders, in the ratio of 1:5. The Securities premium account was utilised to the extent of Rs. 93.66 lakhs for the issue of said bonus shares.

**Notes forming part of  
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**19 Other equity**

**Reserves and Surplus**

**(a) Securities premium account**

Balance at the beginning of the year

**Balance at the end of the year**

**March 31, 2021    March 31, 2020**

	555.65	555.65
	<b>555.65</b>	<b>555.65</b>

**(b) General reserve**

Balance at the beginning of the year

**Balance at the end of the year**

	484.61	484.61
	<b>484.61</b>	<b>484.61</b>

**(c) Surplus in the statement of profit and loss**

Balance at the beginning of the year

Add: Profit/(loss) for the year

Re-measurement gain/(loss) on Defined Benefit Obligations  
(net of tax impact) (refer note 43)

Less: Cash dividend\*

Less: Dividend distribution tax\*

**Balance at the end of the year**

	2,423.97	2,426.57
	(40.33)	81.93
	(14.47)	(3.23)
	(28.10)	(67.44)
	-	(13.86)
	<b>2,341.06</b>	<b>2,423.97</b>

\* Distribution made and proposed

**i) Cash dividends on equity shares proposed and paid**

Final dividend for year ended on 31st March 2021: Rs.0.10 per share  
(31st March 2020: Rs.0.24 per share)

Dividend distribution tax

**Total cash dividend including dividend distribution tax**

	28.10	67.44
	-	13.86
	<b>28.10</b>	<b>81.30</b>

**ii) Proposed dividend on equity shares**

Final dividend for the year ended on 31st March 2021: Rs.Nil per share  
(31st March 2020: Rs.0.10 per share)

Dividend distribution tax

**Total proposed dividend including dividend distribution tax**

	-	28.10
	-	-
	-	<b>28.10</b>

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as on March 31.

With effect from 1 April 2020, the Dividend Distribution Tax ('DDT') payable by the company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

During the year ended 31 March 2021 and 31 March 2020, the parent company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities for the year ended 31 March 2020. The Group believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

**(d) FVTOCI reserve**

Balance at the beginning of the year

Add: Other comprehensive income for the year

**Balance at the end of the year**

	4.81	5.33
	0.26	(0.52)
	<b>5.07</b>	<b>4.81</b>

**Total other equity**

	<b>3,386.40</b>	<b>3,469.04</b>
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**Nature and purpose of reserves**

**(a) Securities premium account**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**(b) General reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend



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distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

## (c) Retained earnings

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013.

## (d) FVTOCI reserve

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through Other Comprehensive Income within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

	March 31, 2021	March 31, 2020
<b>20 Borrowings (non-current)</b>		
<b>Term loans</b>		
Indian Rupee loans from banks (Secured) (a)	965.68	679.10
<b>Long term maturities of finance lease obligation</b>		
Obligations under hire purchase contracts (Secured) (b)	57.56	63.51
<b>Unsecured loans from others</b>		
Unsecured deposits from members - related parties (Refer note 48)	-	20.00
Unsecured deposits from members - others	99.84	82.30
Unsecured inter corporate deposits	400.00	250.00
Unsecured loans and advances from related parties (Refer note 48)	375.00	-
<b>Total (a)</b>	<b><u>1,898.08</u></b>	<b><u>1,094.91</u></b>
<b>Current maturities of non-current borrowings</b>		
Indian Rupee term loans from banks (Secured)	380.25	184.63
Obligations under hire purchase contracts (Secured)	29.81	33.30
	<b><u>410.06</u></b>	<b><u>217.93</u></b>
Less: Amount disclosed under the head "other financial liabilities" (b)	(410.06)	(217.93)
<b>Total non-current borrowings ((a) - (b))</b>	<b><u>1,488.02</u></b>	<b><u>876.98</u></b>

(i) The Indian rupee term loan from banks include:

- (a) Term loan from Bank of India (Rs. 975) secured by exclusive charge on the entire fixed and current assets of the Company. They are also secured by deposit of the title deeds of all its properties. The term loan is repayable over a period of 7 years and the average floating interest rate is 12.10% to 13.10% (previous year - 10.80% to 13.45%)
  - (b) Covid Emergency Support Scheme (CESS) term loan (Rs. 160) from Bank of India repayable over a period of 18 months at an average interest rate is 7.95%
  - (c) Guaranteed Emergency Credit Loan (GECL) (Rs. 310) from Bank of India repayable over a period of 3 years at an average interest rate of 7.50%
  - (d) Term loan from DBS Bank (Rs. 112.38) are secured by way of Corporate Guarantee given by M/s Gunnam Subba Rao Insulation Private Limited. These term loans are repayable over a period of 5 years and the average floating interest rate is 10.00% (previous year - 10%)
  - (e) Term loan from Saraswat Co-operative Bank Limited are secured by exclusive charge on the entire fixed and current assets of the Company. They are also secured by deposit of the title deeds of all its properties. These term loans are repayable over a period of 7 years and the average floating interest rate is 10.60% (previous year - 10.60%)
- (ii) Hire purchase loans are secured by hypothecation of vehicles acquired out of the loan and taken at an interest rate of 9.50% to 10.50%.

**Notes forming part of  
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- (iii) Deposits from members are accepted at an interest rate of 9.75% to 10.75%  
(iv) Inter corporate deposits are accepted at an interest rate of 11.00%  
(v) Loans and advances from related parties are at an interest rate of 12.00%  
(vi) The Company has not defaulted on any loans payable during the year.

**21 Finance lease liabilities (non current)**

	March 31, 2021	March 31, 2020
<b>Long term maturities of finance lease obligation</b>		
Lease liabilities (refer note 49)	179.72	286.07
<b>Total</b>	<b>179.72</b>	<b>286.07</b>

**22 Other financial liabilities (non current)**

Interest accrued but not due on deposits from others	0.83	0.85
<b>Total</b>	<b>0.83</b>	<b>0.85</b>

**23 Provisions (non-current)**

Provision for gratuity	23.96	22.27
<b>Total</b>	<b>23.96</b>	<b>22.27</b>

**24 Deferred tax liabilities: (Net)**

**Deferred tax liability relating to**

On difference between book balance and tax balance of property, plant and equipment	258.55	277.54
Deferred tax impact on fair valuation of Investments	2.61	2.52
(A)	<b>261.16</b>	<b>280.06</b>

**Deferred tax asset relating to**

Provision for compensated absences & bonus	66.69	37.13
Provision for impairment allowance on debtors	243.33	222.83
Leases - Ind AS 116 adjustments	13.43	3.99
(B)	<b>323.45</b>	<b>263.95</b>
<b>Deferred tax liability (Net)</b>	<b>(A-B)</b>	<b>16.11</b>

For the year ended March 31, 2021	Opening Balance	Recognised in profit & loss	Recognised in OCI	Closing balance
Property, plant and equipment	277.54	(18.99)	-	258.55
Provision for compensated absences	(37.13)	(29.56)	-	(66.69)
Provision for impairment allowance on financial assets	(230.81)	(20.50)	-	(251.31)
Leases - Ind AS 116 adjustments	3.99	(9.44)	-	(5.45)
FVTOCI reserve	2.52	-	0.09	2.61
	<b>16.11</b>	<b>(78.49)</b>	<b>0.09</b>	<b>(62.29)</b>

For the year ended March 31, 2020	Opening Balance	Recognised in profit & loss	Recognised in OCI	Closing balance
Property, plant and equipment	328.08	(50.54)	-	277.54
Provision for compensated absences	(28.19)	(8.94)	-	(37.13)
Provision for impairment allowance on financial assets	(119.76)	(111.05)	-	(230.81)
Leases - Ind AS 116 adjustments	-	3.99	-	3.99
FVTOCI reserve	2.69	-	(0.17)	2.52
	<b>182.82</b>	<b>(166.54)</b>	<b>(0.17)</b>	<b>16.11</b>



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Notes to Consolidated Financial Statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

## 25 Borrowings (Current)

	March 31, 2021	March 31, 2020
Cash credit from banks (secured)	1,353.50	1,820.78
Unsecured inter corporate deposits	22.00	22.00
Unsecured loans and advances from related parties (Refer note 48)	87.75	390.75
Unsecured deposits from members - related parties (Refer note 48)	90.83	5.00
Unsecured deposits from members - others	6.87	39.55
<b>Total</b>	<b><u>1,560.95</u></b>	<b><u>2,278.08</u></b>

- (i) The interest rate on the cash credit ranges between 12.10% to 13.10% (March 31, 2020 - 10.80% to 13.45%). Refer note 3(a)(i) for details of security.
- (ii) Refer note (iii) under non-current borrowings for details of security and terms of repayment.

## 26 Trade payables

Outstanding dues to micro, small and medium enterprises	-	-
Outstanding dues to creditors other than micro, small and medium enterprises	3,336.02	3,361.59
	<b><u>3,336.02</u></b>	<b><u>3,361.59</u></b>

Based on the information available with the Group, there are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2021 (March 31, 2020: Nil). Further, the Group has not paid any interest to any Micro and Small Enterprises during the current and previous year.

### Term and conditions of the above financial liabilities:

Trade payables are non interest bearing and carry a credit period generally between 30 and 60 days

## 27 Finance lease liabilities (current)

### Current maturities of finance lease obligation

Lease liabilities (refer note 49)	120.13	109.62
<b>Total</b>	<b><u>120.13</u></b>	<b><u>109.62</u></b>

## 28 Other financial liabilities (current)

Current maturities of long term debt (refer note (ii) below)	380.25	184.63
Current maturities of hire purchase loans (refer note (iii) below)	29.81	33.30
Current maturities of unsecured deposits from members - related parties (refer note 48)	20.00	80.18
Current maturities of unsecured deposits from members - others	61.17	68.61
Current maturities of unsecured inter corporate deposits	-	250.00
Unclaimed dividend	19.84	18.56
Interest accrued but not due on deposits from members		
- From related parties	0.48	0.20
- From others	0.82	2.95
Interest accrued but not due on borrowings	1.37	2.36
Payable to employees	227.55	5.21
<b>Total</b>	<b><u>741.29</u></b>	<b><u>646.00</u></b>

- (i) Interest payable is normally settled monthly / quarterly throughout the financial year.
- (ii) Current maturities of long-term debt pertains to secured term loans taken from banks. Refer note (i) under non-current borrowings for details of security and terms of repayment.
- (iii) Hire purchase loans are secured by hypothecation of vehicles acquired out of the loan.

## 29 Other current liabilities

Statutory liabilities	63.04	129.98
Advances received from customers	329.51	245.15
Deferred revenue	70.80	34.58
Others	151.90	148.70
<b>Total</b>	<b><u>615.25</u></b>	<b><u>558.41</u></b>

**Notes forming part of  
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	March 31, 2021	March 31, 2020
<b>30 Provisions (current)</b>		
Provision for compensated absences	116.15	101.24
Provision for differential sales tax	13.52	13.52
Other provisions	69.24	59.18
<b>Total</b>	<b>198.91</b>	<b>173.94</b>
<b>31 Current tax liabilities</b>		
Provision for income tax (net of advance taxes)	95.11	158.31
<b>Total</b>	<b>95.11</b>	<b>158.31</b>
<b>Breakup of financial liabilities</b>		
<b>At amortised cost</b>		
Non current borrowings	1,488.02	876.98
Current borrowings	1,560.95	2,278.08
Trade Payables	3,336.02	3,361.59
Other non-current and current financial liabilities	742.12	646.85
<b>Total financial liabilities carried at amortised cost</b>	<b>7,127.11</b>	<b>7,163.50</b>
<b>32 Revenue from contracts with customers</b>		
Sale of Products		
Finished goods	10,354.93	13,224.60
Traded goods	1,440.87	1,201.46
Sale of services	1,375.80	1,606.06
Other operating revenue		
Scrap sales	53.61	41.56
<b>Total revenue from operations</b>	<b>13,225.21</b>	<b>16,073.68</b>
<b>Disaggregated information</b>		
<b>Reconciliation of the revenue from contract with customers with the amounts disclosed in the segment information (Note 47)</b>		
Insulation	12,140.03	14,872.22
Trading	1,085.18	1,201.46
<b>Total revenue from contracts with customers</b>	<b>13,225.21</b>	<b>16,073.68</b>
<b>Timing of revenue recognition</b>		
Revenue recognised at a point in time	11,849.41	14,467.62
Revenue recognised over a point in time	1,375.80	1,606.06
	<b>13,225.21</b>	<b>16,073.68</b>
<b>Contract balances</b>		
Trade receivables	3,218.36	3,343.53
Contract assets	-	262.44
Contract liabilities	335.71	248.15

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Contract assets represents unbilled revenues.

A contract liability is the obligation to transfer goods or services to a customer for which the group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

**Reconciling the amount of revenue recognised in the statement of profit and loss with the contract price**

Due to Company's nature of business and the type of contracts entered with the customers, the company does not have any difference between the amount of revenue recognized in the statement of profit and loss and the contracted price.

**Performance obligation**

Information about the Company's performance obligations are summarised below:

**a) Insulation**

The revenue from sale of finished goods is recognised at a point in time coinciding with the transfer of control over goods and in case of contracts,





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revenue is recognised over a period of time based on progress of performance certified by the customer in line with the requirements of Ind AS 115.

## b) Trading

The revenue from sale of traded goods is recognised at a point in time coinciding with the transfer of control over goods as per Ind AS 115.

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020
<b>33 Other income</b>		
Rental income from operating leases	24.47	31.36
Dividend Income	0.02	0.06
Net gain on sale of property, plant and equipment	4.76	5.21
Foreign Exchange Fluctuation (net)	12.40	5.22
Liabilities no longer required written back	4.42	12.85
Other non-operating income	26.50	3.65
<b>Total</b>	<b>72.57</b>	<b>58.35</b>
<b>34 Finance income</b>		
Interest Income on		
- Bank Deposits	15.10	19.63
- Income tax refund	2.18	18.25
- Others	0.43	1.64
<b>Total</b>	<b>17.71</b>	<b>39.52</b>
<b>35 Cost of raw materials consumed</b>		
Opening stock	548.27	518.27
Add: Purchases	7,507.35	8,931.21
	<b>8,055.62</b>	<b>9,449.48</b>
Less : Inventory at the end of the year	746.39	548.27
<b>Total cost of raw materials consumed</b>	<b>7,309.23</b>	<b>8,901.21</b>
<b>36 Purchase of traded goods</b>		
Stock-in-trade - Motors	1,002.47	966.36
Stock-in-trade - Others	-	260.26
<b>Total</b>	<b>1,002.47</b>	<b>1,226.62</b>
<b>37 Changes in inventories of finished goods, work-in-progress and traded goods</b>		
<b>Opening stock</b>		
Finished goods	585.20	459.02
Work-in-Progress	101.03	73.48
Stock-in-trade	218.62	234.57
	<b>904.85</b>	<b>767.07</b>
<b>Closing stock</b>		
Finished goods	572.73	585.20
Work-in-Progress	98.07	101.03
Stock-in-trade	215.87	218.62
	<b>886.67</b>	<b>904.85</b>
<b>Decrease/ (increase) in inventories of finished goods, work-in-progress and traded goods</b>	<b>18.18</b>	<b>(137.78)</b>
<b>38 Employee benefits expense</b>		
Salaries, allowances and wages	1,241.31	1,421.54
Contribution to provident fund and other funds	96.15	171.13
Gratuity expense (refer note 46)	21.63	31.15
Staff welfare expenses	105.02	133.16
<b>Total</b>	<b>1,464.11</b>	<b>1,756.98</b>

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The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. 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.

**39 Depreciation and amortisation expense**

Depreciation of property, plant and equipment	447.57	436.86
Amortization of intangible assets	22.68	22.54
Amortization of ROU assets	136.67	165.76
<b>Total</b>	<b>606.92</b>	<b>625.16</b>

**40 Finance Costs**

Interest expense on		
Term loans and working capital loans	321.97	363.36
On deposits from members and other deposits	119.08	138.61
On hire purchase contracts	4.49	7.80
Delayed payment of Income Tax	0.01	33.04
Lease liabilities	28.16	36.69
Other Borrowing Costs #	53.12	61.49
<b>Total</b>	<b>526.83</b>	<b>640.99</b>

# Other borrowing cost includes loan processing charges, guarantee charges, loan facilitation charges and other ancillary costs incurred in connection with borrowings.

**41 Other expenses**

	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Consumption of stores and spares	109.00	161.50
Service Charges	511.02	638.45
Power and Fuel	687.55	831.56
Repairs & maintenance		
Plant and machinery	31.61	29.57
Buildings	12.88	41.37
Furniture and Equipment	10.07	11.16
Rent	32.29	9.45
Rates and taxes	26.79	54.73
Advertising and sales promotion	5.41	11.26
Vehicle maintenance	29.85	38.31
Insurance	103.44	88.76
Printing and stationery	2.88	2.28
Consultancy and other professional charges	110.47	107.89
Travelling and conveyance	46.46	112.85
Communication expenses	22.11	30.78
Allowance for credit loss	81.45	474.12
Bad debts written off	97.46	7.45
Freight and forwarding charges	295.38	315.51
Donations	5.10	4.59
Sitting fees paid to Directors	10.65	8.55
Bank charges	7.10	17.35
Miscellaneous Expenses	115.66	103.36
<b>Total</b>	<b>2,354.63</b>	<b>3,100.85</b>



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	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
<b>Payment to auditor</b> (included under consultancy and other professional charges)		
<b>As auditor</b>		
- Audit fee	12.00	12.00
- Limited review	9.00	9.00
- Tax audit fee	1.50	1.00
<b>In other capacity</b>		
- Other services (includes certification)	0.50	0.50
- Reimbursement of expenses	0.10	0.46
<b>Total</b>	<b>23.10</b>	<b>22.96</b>

## Details of CSR expenditure

a) Gross amount required to be spent by the company during the year	0.98	7.37
b) Amount spent during the year ending on March 31, 2021 :	In cash	Yet to be paid in cash
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	4.65	4.65
c) Amount spent during the year ending on March 31, 2020 :	In cash	Yet to be paid in cash
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	4.59	2.78
	7.37	7.37

Amount spent during the year:	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020
(i) Contribution to Charitable Trust	3.00	3.80
(ii) Others	1.65	0.79
	<b>4.65</b>	<b>4.59</b>

## In case of S. 135(5) Excess amount spent

Opening balance	Amount required to be spent during the year	Amount spent during the year	Closing balance
-	0.98	4.65	3.67

## 42 Exceptional items

On October 22, 2019, the Holding Company has transferred leasehold rights on land situated at Plot No. D-3/164 & 165 of Dahej Industrial Estate of GIDC, for an aggregate consideration of Rs.205.00 lakhs to Nvision Products Private Limited. Rs.69.35 lakhs being gain on disposal during this year ended March 31, 2020 is shown as an exceptional item.

## 43 Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

### FVTOCI reserve

Gain/(loss) on equity instruments through OCI	0.35	(0.69)
Deferred tax effect on the gain/(loss) on equity instruments through OCI	(0.09)	0.17
Re-measurement gains / (losses) on defined benefit plans	(19.34)	(4.32)
Deferred tax effect on remeasurement costs on net defined benefit liability	4.87	1.09
<b>Total</b>	<b>(14.21)</b>	<b>(3.75)</b>

## 44 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
<b>The following reflects the profit and share data used in the basic and diluted EPS computations:</b>		
Profit / (Loss) available for equity shareholders	(40.33)	81.93
Weighted average number of equity shares in computing basic and diluted EPS	28,099,008	28,099,008
Face value of each equity share (Rs.)	2	2
Earnings per share		
- Basic (Rs.)	(0.14)	0.29
- Diluted (Rs.)	(0.14)	0.29

#### 45 Income taxes

The major components of income tax expenses for the year ended March 31, 2021 and March 31, 2020 are:

##### (i) Profit or loss section

###### Current income tax:

Current income tax charge	130.50	200.00
Adjustments in respect of current income tax of previous year - Interest on delayed payment of previous year taxes	33.20	-

###### Deferred tax:

Relating to origination and reversal of temporary differences	<u>(90.25)</u>	<u>(155.06)</u>
<b>Income tax expense reported in the statement of profit and loss</b>	<b><u>73.45</u></b>	<b><u>44.94</u></b>

##### (ii) OCI Section

###### Tax related to items recognised in OCI during in the year:

Net gain on FVTOCI financial assets	0.09	(0.17)
Net loss on remeasurement of defined benefit plans	<u>(4.87)</u>	<u>(1.09)</u>
<b>Income tax charged to OCI</b>	<b><u>(4.78)</u></b>	<b><u>(1.26)</u></b>

#### Reconciliation of tax expense and the accounting profit multiplied by Corporate Income tax rate applicable for March 31, 2021 and March 31, 2020:

Accounting Profit Before Income Tax (A)	33.12	126.87
Enacted tax rate in India (B)	25.17%	25.17%
Profit before income tax multiplied by standard rate of Corporate tax in India (C = A*B)	8.34	31.93
<b>Adjustments</b>		
50% of donation	0.64	0.56
Impact of change in income tax rate*	-	(24.75)
Impact on account of special rates on Indexed amount	-	(12.52)
Interest on income tax	7.29	-
Others	<u>23.98</u>	<u>49.72</u>
<b>Total (D)</b>	<b><u>31.91</u></b>	<b><u>13.01</u></b>
Expected tax expenses after adjustments (C+D)	40.25	44.94
Total Tax expense for current year	40.25	44.94

\* During the previous year, the Group has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Group has recognized provision for Income Tax and re-measured its Deferred Tax Assets basis the rate prescribed in the said section during the previous year and the full impact of this change has been recognized in the Statement of Profit and Loss for the year ended March 31, 2020.

#### 46 Employee benefits

##### A. Defined contribution plans

The Group makes contributions to Provident Fund, Superannuation Fund and Employee State Insurance Scheme which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised Rs.49.96 (March 31, 2020: Rs.98.52) for Provident



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Fund contributions, Rs.41.78 (March 31, 2020: Rs.69.29) for Superannuation Fund contributions and Rs.4.41 (March 31, 2020: Rs.3.32) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

## B. Defined benefit plans

### Gratuity

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rs. 20. The Group has invested the plan assets with the insurer managed funds (Life Insurance Corporation). The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

The components of gratuity cost recognised in the statement of profit and loss for the years ended March 31, 2021 and March 31, 2020 consist of the following

Particulars	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Current service cost	24.38	32.75
Interest cost (net)	(2.75)	(1.60)
<b>Gratuity cost recognised in statement of profit and loss</b>	<b>21.63</b>	<b>31.15</b>
Actuarial (gains) / losses due to demographic changes in DBO	-	2.04
Return on plan assets (greater)/less than discount rate	47.26	-
Actuarial (gains) / losses due to changes in financial assumptions	(21.79)	(21.96)
Experience adjustments	(6.13)	24.24
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>19.34</b>	<b>4.32</b>
<b>Particulars</b>	<b>For the year ended 31-Mar-2021</b>	<b>For the year ended 31-Mar-2020</b>
<b>Details of the employee benefits obligations and plan assets are provided below</b>		
Defined benefit obligation	418.87	447.98
Fair value of plan assets	421.76	458.92
<b>Net defined benefit (asset) / liability recognised</b>	<b>(2.89)</b>	<b>(10.94)</b>
<b>Disclosure in Financial statements</b>		
a). Provision for gratuity (refer note 23)	23.96	22.27
b). Surplus gratuity fund balance (refer note 17)	(26.85)	(33.21)
<b>c). Net defined benefit (asset) / liability recognised (a-b)</b>	<b>(2.89)</b>	<b>(10.94)</b>
<b>Details of changes in the present value of defined benefit obligations are as follows</b>		
Opening defined benefit obligation	447.98	396.80
Current service cost	24.38	32.75
Interest cost	29.19	27.25
Remeasurement gains/(losses) on obligation	(27.92)	4.32
Benefits paid	(54.76)	(13.14)
<b>Defined benefit obligations at the end of the year</b>	<b>418.87</b>	<b>447.98</b>
<b>Details of changes in the fair value of plan assets are as follows</b>		
Fair value of plan assets at the beginning of the year	458.92	414.57
Expected return on plan assets	31.94	28.85
Employer contributions	32.92	28.64
Benefits paid	(54.76)	(13.14)
Remeasurement gains/(losses) on plan assets	(47.26)	-
<b>Plan assets at the end of the year</b>	<b>421.76</b>	<b>458.92</b>

## Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021

The principal actuarial assumptions used in determining gratuity obligation for the Group are shown below:

Particulars	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
Discount rate	7.13% - 7.16%	6.83% - 6.86%
Rate of return of plan assets	7.13%	6.83%
Attrition rate	5% - 6%	3% - 6%
Rate of compensation increase	6.00%	6.00%

### Sensitivity Analysis: Impact on defined benefit obligation

(a) Effect of 1% change in assumed discount rate		
- 1% increase	(20.64)	(25.96)
- 1% decrease	23.42	30.16
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	23.42	29.77
- 1% decrease	(20.98)	(26.42)
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	0.25	0.18
- 1% decrease	(0.26)	(0.58)

The expected future cash flows in respect of gratuity were as follows:

Expected future benefit payments		
Within next year	58.67	66.01
Between 2 and 5 years	127.40	124.54
Between 6 and 10 years	143.56	142.23

The average duration of the defined benefit plan obligation at the end of the reporting period is 10.97 years to 11.80 years (31 March 2020: 11.51 years to 12.98 years).

#### Notes:

- (i) The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).
- (ii) The expected/ actual return on Plan Assets is as furnished by LIC.
- (iii) The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors.

## 47 Segment information

### Primary segment

Based on internal reporting provided to the chief operating decision maker, insulation and trading are two reportable segments for the Group. Insulation Business includes manufacturing of EPS Products/ prefabricated panels and related service activities. Trading includes motors, export of fabrics, telemedicine equipment's, Information Technology Products etc. The above segments have been identified taking into account the organisation structure as well as differing risks and returns of these segments. Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. All expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.



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## For the year ended March 31, 2021

Particulars	Insulation	Trading	Total
Revenue	12,140.03	1,085.18	13,225.21
Segment result	742.04	113.75	855.79
Less: Finance costs			(526.83)
Less: Unallocable corporate expenses (net of income)			(295.84)
Add: Exceptional items			-
Profit before taxes			33.12
Less: Tax expenses			(73.45)
<b>Net profit / (loss) for the year</b>			<b>(40.33)</b>
<b>As at year ended March 31, 2021</b>			
Segment assets	10,627.74	487.50	11,115.24
Unallocable assets			1,193.33
<b>Total Assets</b>			<b>12,308.57</b>
Segment liabilities	5,498.50	93.75	5,592.25
Unallocable liabilities			2,767.94
<b>Total liabilities</b>			<b>8,360.19</b>

## For the year ended March 31, 2020

Revenue	14,872.22	1,201.46	16,073.68
Segment result	974.59	98.15	1,072.74
Less: Finance costs			(640.99)
Less: Unallocable corporate expenses (net of income)			(374.23)
Add: Exceptional items			69.35
Profit before taxes			126.87
Less: Tax expenses			(44.94)
<b>Net profit / (loss) for the year</b>			<b>81.93</b>
<b>As at year ended March 31, 2020</b>			
Segment assets	11,239.25	487.66	11,726.91
Unallocable assets			792.34
<b>Total Assets</b>			<b>12,519.25</b>
Segment liabilities	5,231.86	183.77	5,415.63
Unallocable liabilities			3,072.60
<b>Total liabilities</b>			<b>8,488.23</b>

## Capital expenditure

Particulars	March 31, 2021	March 31, 2020
Insulation	211.42	533.84
Trading	-	-
Unallocable	2.30	93.55
<b>Total</b>	<b>213.72</b>	<b>627.39</b>

## Depreciation / amortisation

Particulars	March 31, 2021	March 31, 2020
Insulation	416.73	421.44
Trading	30.84	32.60
Unallocable	159.35	171.12
<b>Total</b>	<b>606.92</b>	<b>625.16</b>

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**Revenue from External Customers**

Particulars	March 31, 2021	March 31, 2020
India	13,225.21	15,919.44
Outside India	-	154.24

The revenue information above is based on the location of the customers

**Non current assets**

Particulars	March 31, 2021	March 31, 2020
India	5,355.91	5,791.57
Outside India	-	-

Non-current assets for this purpose consist of property, plant and equipment, capital work in progress and intangible assets and right-of-use assets.

**48 Related Party Transactions**

Key Management Personnel (KMP) and their relatives	Mr. Amrith Anumolu - Executive Director Mr. Bharath Anumolu - Relative of KMP Mrs. Jayasree Anumolu - Director / Relative of KMP Mrs. Lalithamba Panda - Relative of KMP Mr. R Gowrishanker - Director Mr. V J Singh - Director Mr. Gurram Jagannathan Reddy - Independent Director (from June 28, 2019) Mr. A V Ram Mohan - Independent Director (from October 21, 2019) Mr. V V Sridharan - Chief Financial Officer Mr. K Murali - Company Secretary (till May 31, 2020) Ms. T Anantha Jothi - Company Secretary (from June 01, 2020) Mrs. S N Radha - Relative of KMP
Enterprises over which parties above or their relatives have control / significant influence ('Affiliates')	M/s Gunnam Subba Rao Insulation Private Limited M/s Korean Painting and Plating Pvt Ltd (Formerly "Panda Solar Energy Pvt Ltd") M/s Villasini Real Estate Private Limited





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## b. Related party transactions for the year ended March 31, 2021

Particulars	Affiliates	Key Managerial Personnel & their Relatives
<b>Transactions during the period</b>		
Lease rent income	4.80	-
Lease rent expense	48.60	-
Managerial remuneration paid		
Mr. Amrith Anumolu	-	35.30
Mr. V V Sridharan	-	19.36
Mr. K Murali	-	5.95
Ms. T Anantha Jothi	-	8.53
Sitting fees paid to Directors		
Mr. Amrith Anumolu	-	2.40
Mrs. Jayasree Anumolu	-	1.20
Mr. Gowrishanker	-	2.80
Mr. V J Singh	-	2.20
Mr. Gurram Jagannathan Reddy	-	2.60
Mr. A V Ram Mohan	-	2.80
Unsecured Loan received		
Mrs. Jayasree Anumolu	-	250.00
Unsecured Loan repaid		
Mr. Amrith Anumolu	-	8.00
Mr. Gowrishanker	-	170.00
Public deposits repaid		
Mrs. Lalithamba Panda	-	80.18
Mrs. S N Radha	-	5.00
Public deposits received		
Mrs. Lalithamba Panda	-	80.18
Mrs. S N Radha	-	5.45
Ms. T Anantha Jothi	-	5.20
Finance cost during the year on loans		
Mr. V J Singh	-	0.84
Mr. Amrith Anumolu	-	1.38
Mr. Gowrishanker	-	1.21
Mrs. Jayasree Anumolu	-	22.44
Mrs. Lalithamba Panda	-	10.42
Mr. Bharat Anumolu	-	8.75
Mrs. S N Radha	-	0.57
Ms. T Anantha Jothi	-	0.22
<b>Balance outstanding as at the year end</b>		
Trade receivable	1.79	-
Trade payables	15.00	-
Unsecured loan from Mr. Bharat Anumolu	-	72.75
Unsecured loan from Mr. V J Singh	-	7.00
Unsecured loan from Mrs. Jayasree Anumolu	-	375.00
Unsecured loan from Mr. Amrith Anumolu	-	8.00
Public deposits from Mrs. Lalithamba Panda	-	100.18
Public deposits from Mrs. S N Radha	-	5.45
Public deposits from Ms. T Anantha Jothi	-	5.20
Interest accrued on Public Deposit - Ms. T Anantha Jothi	-	0.22
Interest accrued on Public Deposit - Mrs. S N Radha	-	0.26

**Notes forming part of  
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**c. Related party transactions for the year ended March 31, 2020**

<b>Particulars</b>	<b>Affiliates</b>	<b>Key Managerial Personnel &amp; their Relatives</b>
<b>Transactions during the period</b>		
Lease rent income	4.80	-
Lease rent expense	48.00	-
Managerial remuneration paid		
Mr. Bharat Anumolu	-	9.11
Mr. Amrith Anumolu	-	37.29
Mr. V V Sridharan	-	24.91
Mr. K Murali	-	14.17
Sitting fees & conveyance charges paid to Directors		
Mr. Bharat Anumolu	-	0.20
Mr. Amrith Anumolu	-	2.00
Mrs. Jayasree Anumolu	-	1.60
Mr. Gowrishanker	-	2.40
Mr. V J Singh	-	2.20
Mr. Gurram Jagannathan Reddy	-	1.80
Mr. A V Ram Mohan	-	1.20
Public deposits received		
Mrs. S N Radha	-	5.00
Unsecured loan received		
Mrs. Jayasree Anumolu	-	100.00
Unsecured Loan repaid		
Mr. Bharat Anumolu	-	7.08
Mr. Gowrishanker	-	80.00
Finance cost during the year on loans		
Mr. Bharat Anumolu	-	8.81
Mr. V J Singh	-	0.84
Mr. Amrith Anumolu	-	1.93
Mr. Gowrishanker	-	23.85
Mrs. Jayasree Anumolu	-	9.02
<b>Balance outstanding as at the year end</b>		
Trade receivable	3.60	-
Other advances	2.61	-
Unsecured loan from Mr. Bharat Anumolu	-	72.75
Unsecured loan from Mr. V J Singh	-	7.00
Unsecured loan from Mrs. Jayasree Anumolu	-	125.00
Unsecured loan from Mr. Amrith Anumolu	-	16.00
Unsecured loan from Mr. Gowrishanker	-	170.00
Public deposits from Mrs. Lalithamba Panda	-	100.18
Public deposits from Mrs. S N Radha	-	5.00
Interest accrued on Fixed Deposit - Mrs. S N Radha	-	0.20

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2021 and March 31, 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (refer note 12).



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## 49 Leases

### Group as a lessee

The Group has lease contracts for rent of building and plant & machinery used in its operations. Leases of building used for office purpose have lease terms between 1 and 5 years, and plant & machinery generally have lease terms for 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and sub-leasing the leased assets.

The Group also has certain leases of buildings and vehicles with lease terms of 12 months or less and leases with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Building	Leasehold land & building	Total
<b>As at April 1, 2019</b>	<b>526.82</b>	<b>-</b>	<b>526.82</b>
Transfer from Property plant and equipment	-	1,039.29	1,039.29
Additions	-	3.54	3.54
Deletions	-	(134.09)	(134.09)
Depreciation expense	(148.58)	(17.18)	(165.76)
<b>As at April 1, 2020</b>	<b>378.24</b>	<b>891.56</b>	<b>1,269.80</b>
Additions	13.75	11.37	25.12
Depreciation expense	(120.07)	(16.60)	(136.67)
<b>As at March 31, 2021</b>	<b>271.92</b>	<b>886.33</b>	<b>1,158.25</b>

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	As at March 31, 2021	As at March 31, 2020
<b>As at April 1</b>	<b>395.69</b>	<b>526.82</b>
Additions	13.75	-
Accretion of interest	28.16	36.69
Payments	(137.75)	(167.82)
<b>As at March 31</b>	<b>299.85</b>	<b>395.69</b>
Current	120.13	109.62
Non-current	179.72	286.07

The effective interest rate for lease liabilities is 8%, with maturity between 2021-2026.

The following are the amounts recognised in profit or loss:

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense of right-of-use assets	136.67	148.58
Interest expense on lease liabilities	28.16	36.69
Expense relating to short-term leases and leases of low-value assets (included in other expenses - Rent)	32.29	9.45
<b>Total amount recognised in profit or loss</b>	<b>197.12</b>	<b>194.72</b>

The Group had total cash outflows for leases of Rs. 137.75 in March 31, 2021 (Rs. 167.82 in March 31, 2020).

## 50 Commitments and contingencies liabilities

### a. Commitments

The estimated amount of contracts, net of advances remaining to be executed on capital account and not provided is Rs. Nil (March 31, 2020 : Rs.20.03).

**Notes forming part of  
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**b. Contingent liabilities**

**Note i.**

- a) Matters wherein management has concluded the Group's liability to be probable have accordingly been provided for in the books. Also refer Note 30.
- b) Matters wherein management has concluded the Group's liability to be possible have accordingly been disclosed under Note 50b(ii) Contingent liabilities below.
- c) Matters wherein management is confident of succeeding in these litigations and have concluded the Group's liability to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims, in different stages of process.

	March 31, 2021	March 31, 2020
(a) Claims against the Group not acknowledged as debts	23.69	22.77
(b) Sales tax demands against which the Group has filed appeals	611.09	583.10
	<b>634.78</b>	<b>605.87</b>

Particular	March 31, 2021	March 31, 2020	Period to which the amount relates	Forum where dispute is pending
Under Sales Tax Acts of various states			1995-96 2000-01	Deputy Commissioner, Assistant Commissioner & other appellate authorities
Amount under dispute	16.93	1.79	2001-02	
Amount paid	1.92	0.74	2003-04	
<b>Net Amount</b>	<b>15.01</b>	<b>1.05</b>	2015-16	
Under Central Sales Tax Act, 1956			1995-96, 2003-04 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2016-17	High Court, Deputy Commissioner & CTO of various states
Amount under dispute	594.16	581.31		
Amount paid	58.15	56.15		
<b>Net Amount</b>	<b>536.01</b>	<b>525.16</b>		

Based on its evaluation (including expert advice obtained wherever applicable), the Company believes there it has a strong case on of merits and is confident that the demand will not be sustained therefore, no consequential adjustments (including related provision) are considered necessary in the financial statements in this regard.

**c. Provident fund**

The Supreme Court had passed judgement on 28th February 2019 that all allowances paid to employees are to be considered for the purposes of PF wage determination. There are numerous interpretative issues relating to the above judgement. The Group is of the view that this judgement is applicable on a prospective basis from the date of the SC order and hence complied with same prospectively.

**d. Petition filed with National Company Law Tribunal**

The erstwhile Managing Director of the Company had filed petition with National Company Law Tribunal ("NCLT") under sections 241 to 244 of the Companies Act, 2013 during financial year 2018-19. He has sought certain relief and action against the directors. The Company has intimated to the stock exchange about the matter filed with the NCLT by the erstwhile Managing Director. The matter is pending before NCLT and there have been no material updates to this matter. Based on the review of the petition, the Board is of the view that these matters have no effect on financial statements of the Group.

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

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances 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.



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## **a) Judgements**

In the process of applying the group's accounting policies, management has not made any judgement, which has significant effect on the amounts recognised in the financial statements.

### **(i) Determining the lease term of contracts with renewal and termination options – Group as lessee**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

## **b) 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 Group 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 Group. Such changes are reflected in the assumptions when they occur.

### **(i) Impairment of non-financial assets including goodwill**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

### **(ii) Defined benefit plans**

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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 46.

### **(iii) Allowance for slow/ non-moving inventory and obsolescence**

An allowance for Inventory is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory allowance is estimated taking into account various factors, including prevailing sales prices of inventory item, gross margins and losses associated with obsolete / slow-moving / redundant inventory items. The group has, based on these assessments, made adequate provision in the books.

**(iv) Allowance for expected credit loss (ECL provision)**

Customer credit risk is managed by each business unit subject to the group's established policy, procedures and control relating to customer credit risk management. The group undertakes a detailed review of the credit worthiness of clients before extending credit. Outstanding customer receivables are regularly monitored. Management monitors the group's net liquidity position through rolling forecasts based on expected cash flows.

Trade receivables comprise a large number of customers. The group has credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined. Net Trade receivables as on March 31, 2020 is Rs. 3,343.53 lakhs (March 31, 2019 - 3,909.89 lakhs). The group believes the concentration of risk with respect to trade receivables is low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The group uses the expected credit loss model as per Ind AS 109 – 'Financial Instruments' to assess the impairment loss or gain. The group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix considers available external and internal credit risk factors and the group's historical experience in respect of customers. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 12.

**(v) Leases - estimating the incremental borrowing rate**

The group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

**52 Financial risk management objectives and policies**

The Group's principal financial liabilities comprise of bank and other borrowings, deposits, trade and other payables. The main purpose of these financial liabilities is to finance and support the entity's operations. The entity's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The entity is exposed to market risk, credit risk and liquidity risk. The entity's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

**(i). Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity's exposure to the risk of changes in market interest rates relates primarily to the entity's long-term debt obligations with floating interest rates. The entity manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the entity's profit before tax is affected through the impact on floating rate borrowings, as follows :

Particulars	March 31, 2021		March 31, 2020	
Increase / decrease in interest rate Impact on profit before tax	+1% (23.19)	-1% 23.19	+1% (25.00)	-1% 25.00

**(ii). Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's



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operating activities (when revenue or expense is denominated in a foreign currency). The Group has not hedged any portion of its expected foreign currency sales as at March 31, 2021 and March 31, 2020.

## Foreign currency sensitivity

The following demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates for Rs, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The sensitivity analysis includes only outstanding unhedged foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

Particulars	Currency	March 31, 2021	March 31, 2020
Trade receivables	USD	-	49,440.05
Trade payables	USD	425,156.00	-

Particulars	Forex Currency	Change in forex rate(%)	Effect on profit before tax (in Rs.)	Effect on pre-tax equity (in Rs.)
<b>March 31, 2021</b> <b>- Trade Payables</b>	USD	5% Increase	(1,562,548)	(1,562,548)
		5% Decrease	1,562,548	1,562,548
<b>March 31, 2020</b> <b>- Trade receivables</b>	USD	5% Increase	186,354	186,354
		5% Decrease	(186,354)	(186,354)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

## (iii). Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group only deals with parties which has good credit rating/ worthiness given by external rating agencies or based on management's internal assessment. The maximum exposure to the credit risk is equal to the carrying amount of financial assets as of March 31, 2021 and March 31, 2020 respectively.

## (iv). Liquidity Risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments (including interest payments).

	Within 1 year	1 to 5 years	After 5 years	Total
<b>Year ended March 31, 2021</b>				
Borrowings	1,560.95	1,488.02	-	3,048.97
Lease liabilities	120.13	179.72	-	299.85
Other financial liabilities	741.29	0.83	-	742.12
Trade payables	<u>3,336.02</u>	<u>-</u>	<u>-</u>	<u>3,336.02</u>
	<b><u>5,758.39</u></b>	<b><u>1,668.57</u></b>	<b><u>-</u></b>	<b><u>7,426.96</u></b>
<b>Year ended March 31, 2020</b>				
Borrowings	2,278.08	876.98	-	3,155.06
Lease liabilities	109.62	286.07	-	395.69
Other financial liabilities	646.00	0.85	-	646.85
Trade payables	<u>3,361.59</u>	<u>-</u>	<u>-</u>	<u>3,361.59</u>
	<b><u>6,395.29</u></b>	<b><u>1,163.90</u></b>	<b><u>-</u></b>	<b><u>7,559.19</u></b>

**Notes forming part of  
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**53 Fair value measurements**

The carrying value of financial instruments by categories is as follows:

Particulars	Carrying Value		Fair Value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Financial assets</b>				
Other investments	37.06	42.46	45.81	50.85
Trade receivables	3,218.36	3,343.53	3,218.36	3,343.53
Cash and cash equivalents	158.95	76.26	158.95	76.26
Bank balances other than cash and cash equivalents	367.30	265.73	367.30	265.73
Loans	45.31	26.98	45.31	26.98
Other financials assets	206.81	276.31	207.44	276.31
<b>Total</b>	<b>4,033.79</b>	<b>4,031.27</b>	<b>4,043.17</b>	<b>4,039.66</b>
<b>Financial liabilities</b>				
Borrowings	3,048.97	3,155.06	3,048.97	3,155.06
Lease liabilities	299.85	395.69	299.85	395.69
Trade payables	3,336.02	3,361.59	3,336.02	3,361.59
Other financial liabilities	742.12	646.85	742.12	646.85
<b>Total</b>	<b>7,426.96</b>	<b>7,559.19</b>	<b>7,426.96</b>	<b>7,559.19</b>

**54 Fair value hierarchy**

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values. The management assessed that the cash and cash equivalents, trade receivables, trade payables, fixed deposits, bank overdrafts and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

**Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021:**

Particulars	March 31, 2021			
	Total amount	Fair Value		
		Level 1	Level 2	Level 3
<b>Asset measured at fair value:</b>				
Equity Investments at fair value through OCI				
Unquoted instruments	45.11	-	-	45.11
Quoted instruments	0.70	0.70	-	-
Derivative instrument not designated as hedge at fair value through profit or loss				
Foreign exchange forward contracts	0.63	-	0.63	-

**Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:**

Particulars	March 31, 2020			
	Total amount	Fair Value		
		Level 1	Level 2	Level 3
<b>Asset measured at fair value:</b>				
Equity Investments at fair value through OCI				
Unquoted instruments	50.51	-	-	50.51
Quoted instruments	0.34	0.34	-	-





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Notes:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

There have been no transfers between the levels during the period.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values.

They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate.

They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

## 55 Capital management

"For the purpose of the Group's capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value. The Group's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Group. The Group determines the amount of capital required on the basis of annual operating plans and long-term fleet expansion plans. The funding requirements are met through internal accruals and other long-term/short-term borrowings. The Group's policy is aimed at combination of short-term and long-term borrowings. The Group monitors capital employed using a Debt equity ratio, which is total debt divided by total equity and maturity profile of the overall debt portfolio of the Group. "

	March 31, 2021	March 31, 2020
Borrowings	3,540.20	3,771.78
Less: Cash and short-term deposits	(245.85)	(161.88)
<b>Net debt</b>	<b>3,294.35</b>	<b>3,609.90</b>
Equity	561.98	561.98
Other equity	3,386.40	3,469.04
<b>Total equity</b>	<b>3,948.38</b>	<b>4,031.02</b>
Gearing ratio	83%	90%

In order to achieve this overall objective, the entity's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current and previous periods. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

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**56 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 as at and for the year ended March 31, 2021 and March 31, 2020**

**Year Ended 31st March 2021**

S.No	Name of the Entities	Net Assets		Share in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount (Rs. in Lakhs)	As % of Consolidated Profit and Loss	Amount (Rs. in Lakhs)	As % of Consolidated Other Comprehensive Income	Amount (Rs. in Lakhs)	As % of Consolidated Total Comprehensive Income	Amount (Rs. in Lakhs)
I.	Parent Beardsell Limited	114.41%	4,517.17	-23.38%	9.43	100.00%	(14.21)	8.76%	-4.78
II.	Subsidiary Sarovar Insulation Private Limited	-5.94%	(234.53)	26.61%	(10.73)	0.00%	-	19.67%	-10.73
III.	Controlled Entity Saideep Polytherm	-8.47%	(334.26)	96.78%	(39.03)	0.00%	-	71.56%	-39.03
	<b>Total</b>		<b>3,948.38</b>		<b>(40.33)</b>		<b>(14.21)</b>		<b>(54.54)</b>

**Year Ended 31st March 2020**

S.No	Name of the Entities	Net Assets		Share in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount (Rs. in Lakhs)	As % of Consolidated Profit and Loss	Amount (Rs. in Lakhs)	As % of Consolidated Other Comprehensive Income	Amount (Rs. in Lakhs)	As % of Consolidated Total Comprehensive Income	Amount (Rs. in Lakhs)
I.	Parent Beardsell Limited	112.88%	4,550.05	309.47%	253.55	100.00%	(3.75)	319.52%	249.80
II.	Subsidiary Sarovar Insulation Private Limited	-5.55%	(223.80)	-26.01%	(21.31)	0.00%	-	-27.26%	(21.31)
III.	Controlled Entity Saideep Polytherm	-7.32%	(295.23)	-183.46%	(150.31)	0.00%	-	-192.26%	(150.31)
	<b>Total</b>		<b>4,031.02</b>		<b>81.93</b>		<b>(3.75)</b>		<b>78.18</b>

**57 Events after the reporting period**

Subsequent to the balance sheet date, in the meeting held on May 07, 2021, the Board of Directors have approved a proposal to raise funds, by way of issue of equity shares of the Company to its eligible shareholders on a right basis ('Rights issue') in a ratio of one share for every three shares held.



# BEARDELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

## 59 Prior year comparatives

The figures of previous year have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date

### For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

### per Aravind K

Partner

Membership no.: 221268

Place : Chennai

Date : June 30, 2021

For and on behalf of the Board of Directors

### Beardsell Limited

### Amrith Anumolu

Executive Director

DIN : 03044661

Place : Hyderabad

### V.V. Sridharan

Chief Financial Officer

Place : Chennai

Date : June 30, 2021

### A.V. Ram Mohan

Independent Director

DIN : 02093767

Place : Chennai

### K. Murali

Company Secretary

Place : Chennai

Date : June 30, 2021



## **BEARSELL LIMITED**

47, Graemes Road,  
Chennai - 600 006

Phone : 044 - 2829 3296 / 2829 0900

Fax : 044 - 2829 0391

E-mail : [ho@beardsell.co.in](mailto:ho@beardsell.co.in)

Website : [www.beardsell.co.in](http://www.beardsell.co.in)