BEARDSELL

BEARDSELL LIMITED

Beardsell Limited (our "**Company**" or "**Issuer**") was originally incorporated as 'Mettur Industries Limited' on November 23, 1936 as a public limited company under the Companies Act, 1913 with the Registrar of Joint Stock Companies, Tamil Nadu, Madras. The name of our Company was changed to "Mettur Beardsell Limited and a fresh certificate of incorporation dated November 10, 1969 consequent to such name change was issued to our Company by the Asst. Registrar of Companies, Tamil Nadu, Madras. The name of our Company was changed to "Beardsell Limited and a fresh certificate of incorporation dated October 1, 1983 consequent to such name change was issued to our Company by the Asst. Registrar of Companies, Tamil Nadu, Madras.

Registered Office: 47, Greames Road, Chennai, 600006, Tamil Nadu India; **Telephone:** +91 44 2829 3296/28290900; **Facsimile:** +91 44-28290391
E-mail: km@beardsell.co.in; **Website:** www.beardsell.co.in;
Contact Person: Krishnamurthy Murali, Company Secretary and Compliance Officer;
Corporate Identification Number: L65991TN1936PLC001428

OUR PROMOTERS- AMRITH ANUMOLU, JAYASREE ANUMOLU, BHARAT ANUMOLU, LALITHAMBA PANDA, GUNNAM SUBBA RAO INSULATION PRIVATE LIMITED AND VILLASINI REAL ESTATE PRIVATE LIMITED.

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF BEARDSELL LIMITED

ISSUE OF UPTO 93,66,336 EQUITY SHARES OF FACE VALUE ₹ 2 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "ISSUE PRICE"), AGGREGATING UPTO ₹ [●] LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 RIGHTS EQUITY SHARE FOR EVERY 3 FULLY PAID-UP EQUITY SHARES HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] TIMES THE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED "TERMS OF THE ISSUE" ON PAGE 165 OF THIS DRAFT LETTER OF OFFER.

WILFUL DEFAULTERS

Neither our Company, our Promoters nor our Directors are categorised as wilful defaulters by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Rights Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of the investors is invited to the section titled "*Risk Factors*" on page 27 of this Draft Letter of Offer.

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The existing Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") (together, the "**Stock Exchanges**"). Our Company has received 'in-principle' approvals from BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide their letters dated [●] and [●], respectively. For the purpose of this Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
SAFFRON • • • • • energising ideas	CAMEO
SAFFRON CAPITAL ADVISORS PRIVATE LIMITED 605, Center Point, 6th floor, Andheri Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India. **Telephone:** +91 22 4082 0914/915 **Facsimile:** +91 22 4082 0999 **E-mail:** rights.issue@saffronadvisor.com **Website:** www.saffronadvisor.com **Investor grievance:** investorgrievance@saffronadvisor.com **Contact Person:** Amit Wagle / Gaurav Khandelwal **SEBI Registration Number:** INM 000011211 **Validity of Registration:** Permanent	**CAMEO CORPORATE SERVICES LIMITED** Subramanian Building, No. 01, Club House Road, Chennai- 600 002, Tamil Nadu, India. **Telephone:** +91044 4002 0700/ 0710/ 2846 0390 **Facsimile:** N.A. **Email:** priya@cameoindia.com **Website:** www.cameoindia.com **Investor grievance e-mail:** investor@cameoindia.com **Contact Person:** Sreepriya K. **SEBI Registration No.:** INR000003753 **Validity of Registration:** Permanent

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR RECEIVING REQUESTS FOR APPLICATION FORMS	ISSUE CLOSES ON
[●]	[●]	[●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Draft Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

Provided that terms used in the sections/ chapters titled "Industry Overview", "Summary of this Draft Letter of Offer", "Financial Information", "Statement of Special Tax Benefits", "Outstanding Litigation and Material Developments" and "Issue Information" on pages 74, 20, 109, 68, 149 and 165 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

Company related terms

Term	Description
"Company", "our Company", "the Company", "the Issuer"	Beardsell Limited a public limited Company incorporated under Companies Act 1913 and having its registered office at 47, Greames Road, Chennai, 600 006, Tamil Nadu India;
"we", "us", or "our"	Unless the context otherwise indicates or implies, refers to our Company.
"Articles" / "Articles of Association" / "AoA"	Articles / Articles of Association of our Company, as amended from time to time.
"Consolidated Audited Financial Statements"	The consolidated audited financial statements of our Company, its Wholly Owned Subsidiary and Controlled Entity, prepared as per Ind AS for Fiscal 2021, Fiscal 2020 and Fiscal 2019, which comprises of the Consolidated Statements of Assets and Liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019, the Consolidated Statements of Profit & Loss Account (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statements of Cash Flow for the year ended March 31, 2021, March 31, 2020, and March 31, 2019 and significant accounting policies and other explanatory information on a consolidated basis, as notified under the Companies Act, 2013, as amended read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
"Audit Committee"	The committee of the Board of Directors constituted as our Company's audit committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") and Section 177 of the Companies Act, 2013. For details, see "*Our Management*" on page 95 of this Draft Letter of Offer.
"Auditor" / "Statutory Auditor"/	Statutory auditor of our Company, namely, S. R. Batliboi & Associates, LLP.
"Board" / "Board of Directors"	Board of directors of our Company or a duly constituted committee thereof.
"Chief Financial Officer / CFO"	Mr. Sridharan Varadhan Vinjamoore, the Chief Financial Officer of our Company.
"Company Secretary and Compliance Officer"	Mr. Krishnamurthy Murali, the Company Secretary and the Compliance Officer of our Company.
"Controlled Entity"	M/s. Saideep Ploytherm (Partnership Firm) is the controlled entity of our Company
"Corporate Social Responsibility Committee/ CSR Committee"	The committee of the Board of directors constituted as our Company's corporate social responsibility committee in accordance with Section 135 of the Companies Act, 2013. For details, see "*Our Management*" on page 95 of this Draft Letter of Offer
"Director(s)"	The director(s) on the Board of our Company, unless otherwise specified.
"Equity Shareholder"	A holder of Equity Shares

Term	Description
“Equity Shares”	Equity shares of our Company of face value of ₹ 2 each.
“Executive Directors”	Executive directors of our Company.
“Group”	Beardsell Limited, our Company along with its Wholly Owned Subsidiary Sarovar Insulation Private Limited, and the Company’s Controlled Entity, M/s. Saideep Polytherm (collectively known as “Group”)
“Independent Director(s)”	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
“Interim Condensed Consolidated Financial Statements / Unaudited Interim Condensed Consolidated Financial Statements ”	Unaudited interim condensed consolidated financial statements of our Company, and its Wholly Owned Subsidiary and Controlled Entity, for the three months period ended June 30, 2021 prepared in accordance with the Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and reviewed in accordance with the Standard on Review Engagements (SRE) 2410, *“Review of Interim Financial Information performed by the Independent Auditor of the Entity”* issued by the Institute of Chartered Accountants of India.
“Key Managerial Personnel” / “KMP”	Key management personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection titled “*Our Management – Key Managerial Personnel*” on page 103 of this Draft Letter of Offer.
Materiality Policy	A policy adopted by our Company, in the Board meeting held on August 13, 2021 for identification of material litigation(s) for the purpose of disclosure of the same in this Draft Letter of Offer.
“Memorandum of Association” / “MoA”	Memorandum of Association of our Company, as amended from time to time
“Nomination and Remuneration Committee”	The committee of the Board of directors reconstituted as our Company’s Nomination and Remuneration Committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. For details, see “*Our Management*” on page 95 of this Draft Letter of Offer.
“Non-executive Directors”	Non-executive Directors of our Company.
“Non-Executive and Independent Director”	Non-executive and independent directors of our Company, unless otherwise specified
“Promoter”	Amrith Anumolu, Bharat Anumolu, Jayasree Anumolu, Lalithamba Panda, Gunnam Subba Rao Insulation Private Limited and Villasani Real Estate Private Limited the Promoters of our Company. For further details, see “*Our Promoter*” on page 104 of this Draft Letter of Offer.
“Promoter Group”	Individuals and entities forming part of the promoter and promoter group in accordance with SEBI ICDR Regulations.
“Registered Office”	The registered office of our Company located at 47, Greames Road, Chennai, 600006, Tamil Nadu India
“Registrar of Companies”/ “RoC”	Registrar of Companies, Chennai situated at Block No.6, B Wing, 2nd Floor, Shastri Bhawan 26, Haddows Road, Chennai-600034, Tamil Nadu.
Restated Consolidated Summary Statements	Restated consolidated summary statements of our Group comprise the Restated Consolidated Summary Statements of Assets and Liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019, the Restated Consolidated Summary Statement of Profit & Loss Account (including other comprehensive income), the Restated Consolidated Summary Statement of Changes in Equity and the Restated Consolidated Summary Statements of Cash Flow for the year ended March 31, 2021, March 31, 2020, and March 31, 2019 and significant accounting policies and other explanatory information to the Restated Consolidated Summary Statements (collectively, the ‘Restated Consolidated Summary Statements’), which has been prepared in all material respects with the relevant provisions of the SEBI ICDR Regulations ,as amended from time to time in pursuance of the SEBI Act, 1992 and the Guidance Note on Report in Company Prospectus (Revised

Term	Description
	2019) issued by the Institute of Chartered Accountants of India and prepared solely for the purpose of inclusion in this Draft Letter of Offer.
"Shareholders/ Equity Shareholders"	The Equity Shareholders of our Company, from time to time.
"Stakeholders' Relationship Committee"	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations. For details, see "*Our Management*" on page 95 of this Draft Letter of Offer.
Wholly Owned Subsidiary	Sarovar Insulation Private Limited is the wholly owned subsidiary of our Company

Issue Related Terms

Term	Description
2009 ASBA Circular	The SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009
2011 ASBA Circular	The SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares / Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot/Allotment/Allotted	Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account	The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to the Issue.
Allottee(s)	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer, including an ASBA Investor.
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filling the online Application Form available on R-WAP, to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application at R-WAP facility or though the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ASBA	Application (whether physical or electronic) used by ASBA Applicants to make an Application authorizing a SCSB to block the Application Money in the ASBA Account
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be.

Term	Description
ASBA Applicant / ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including renouncees) shall make an application for a rights issue only through ASBA facility.
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank and the Refund Banks to the Issue, in this case being [●].
Bankers to the Issue Agreement	Agreement dated [●] entered into by and amongst our Company, the Registrar to the Issue and the Bankers to the Issue for collection of the Application Money from Applicants/ Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue and which is described in "*Terms of the Issue*" on page 165 of this Draft Letter of Offer.
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form.
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of SCSBs which coordinate Bids under the Issue with the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at http://www.sebi.gov.in.
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father / husband, investor status, occupation and bank account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer/DLOF	This draft letter of offer dated October 25, 2021 filed with the Stock Exchanges, for its observations and in-principle listing approval.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●].
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date i.e. [●]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see "*Notice to Investors*" on page 12 of this Draft Letter of Offer.
Issue / Rights Issue	Issue of up to ₹ 93,66,336 Equity Shares of face value of ₹ 2 each ("**Rights Equity Shares**") of our Company for cash at a price of ₹ [●] per Rights Equity Share (including a share premium of ₹[●] per Rights Equity Share) aggregating up to ₹ [●] lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 1 (One) Rights Equity Shares for every 3 (Three) fully paid-up Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [●].
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ [●] per Rights Equity Share.
Issue Proceeds	Gross proceeds of the Issue.
Issue Size	Amount aggregating up to ₹ [●] lakhs

Term	Description
Lead Manager	Saffron Capital Advisors Private Limited
Letter of Offer/LOF	The final letter of offer to be issued by our Company in connection with the Issue.
Net Proceeds	Proceeds of the Issue less our Company's share of Issue related expenses. For further information about the Issue related expenses, see "*Objects of the Issue*" on page 64 of this Draft Letter of Offer.
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees.
Non-Institutional Bidders or NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●].
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●].
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●].
Registrar to the Issue / Registrar	Cameo Corporate Services Limited.
Registrar Agreement	Agreement dated May 10, 2021 entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Renouncee(s)	Person(s) who has/have acquired the Rights Entitlement from the Eligible Equity Shareholders on renunciation.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. [●]. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date i.e. [●].
Retail Individual Bidders(s)/ Retail Individual Investor(s)/ RII(s)/RIB(s)	An individual Investor (including an HUF applying through Karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹200,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlement	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, being 1 (one) Rights Equity Shares for every 3 (three) Equity Shares held on [●]. The Rights Entitlements with a separate ISIN: [●] will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the Record Date i.e. [●] *Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.*

Term	Description
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the R-WAP facility and link for the same will be available on the website of our Company.
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue.
R-WAP	Registrar's web based application platform accessible at www.linkintime.co.in instituted as an optional mechanism in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021 for accessing/ submitting online Application Form by resident Investors.
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021.
Self-Certified Syndicate Banks" or "SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
Stock Exchanges	Stock exchange where the Equity Shares are presently listed, being BSE and NSE.
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter	A Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchange. "Working Day" shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

Business and Industry related Terms or Abbreviations

Term	Description
B2B	Business to Business
CAGR	Compounded Annual Growth Rate
Covid-19	Coronavirus Disease 2019
EPoS	Expanded Polystyrene
FRP	Financial, Real Estate and Professional services
GDP	Gross Domestic Product
GVA	Gross Value Added
IIP	Index of Industrial Production
IMF	International Monetary Fund
INR	Indian Rupee (₹)
MMT	Million Metric Tonnes
OPEC	Organisation of the Petroleum Exporting Countries
PUF	Polyurethane Foam
Total Borrowings	Total Borrowings represents the aggregate of non-current borrowings including current maturities of non-current borrowings and current borrowings as of the last day of the relevant period /year
USA/US	United States of America
USD/ US$	US Dollar

Conventional and General Terms or Abbreviations

Term	Description
A/c	Account
AGM	Annual general meeting
AIF	Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970.
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with rules made thereunder.
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
CSR	Corporate Social Responsibility
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant’s Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EGM	Extraordinary General Meeting
EPF Act	Employees’ Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees’ State Insurance Act, 1948
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA

Term	Description
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt instruments) Rules, 2019
Financial Year/ Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally Accepted Accounting Principles in India
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
Indian GAAP	Accounting standards notified under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006, as amended) and the Companies (Accounts) Rules, 2014, as amended
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended
INR or ₹ or Rs. Or Indian Rupees	Indian Rupee, the official currency of the Republic of India.
ISIN	International Securities Identification Number
IT	Information Technology
MCA	The Ministry of Corporate Affairs, GoI
Mn / mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NAV	Net Asset Value
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant

Term	Description
	to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after Tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the United States Securities Act of 1933, as amended
SCRA	Securities Contract (Regulation) Act, 1956 of 1933, as amended
SCRR	The Securities Contracts (Regulation) Rules, 1957 as amended
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
Securities Act	The United States Securities Act of 1933.
STT	Securities Transaction Tax
State Government	The government of a state in India
Trademarks Act	Trademarks Act, 1999
TDS	Tax deducted at source
US$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f.	With effect from
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve month period ending December 31

NOTICE TO INVESTORS

The distribution of this the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, Letter of Offer the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will electronically dispatch through email and physical dispatch through speed post the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, SEBI, the Stock Exchanges, and on R-WAP.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft letter of Offer, Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer, Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form. Neither the delivery of this Draft Letter of Offer, Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information.

Neither the delivery of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY

SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("**United States**"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Draft Letter of Offer, Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and this Draft Letter of Offer, Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "**US SEC**"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM LEAD MANAGER OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a Public Limited (Listed) Company under the laws of India and all the Directors and all Executive Officers are residents of India. It may not be possible or may be difficult for investors to affect service of process upon the Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments.

However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the "**Civil Procedure Code**"). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code.

The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- The judgment has not been pronounced by a court of competent jurisdiction;
- The judgment has not been given on the merits of the case;
- The judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;
- The proceedings in which the judgment was obtained are opposed to natural justice;
- The judgment has been obtained by fraud; and/or
- The judgment sustains a claim founded on a breach of any law in force in India.

A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

PRESENTATION OF FINANCIAL INFORMATION

CERTAIN CONVENTIONS AND USE OF FINANCIAL INFORMATION AND CURRENCY OF PRESENTATION

Certain Conventions

All references to "India" contained in this Draft Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios as at and for the years ended March 31, 2021, 2020 and 2019 in this Draft Letter of Offer has been derived from our Restated Financial Consolidated Summary Statements and unless stated otherwise or context require otherwise, financial information as at and for the three months period ended June 30, 2021 has been derived from Interim Condensed Consolidated Financial Statements and unless stated otherwise or context require otherwise, financial information for the three months period ended June 30, 2020 has been derived from comparatives presented in interim condensed consolidated financial statements. Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The financial information for the three months periods ended June 30, 2021 and June 30, 2020 are not indicative of full year results and accordingly, such financial information is not comparable to the financial information for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019.

The GoI has adopted the Indian accounting standards ("**Ind AS**"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") with some differences and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**Ind AS Rules**"). The Restated Consolidated Summary Statements of our Company and its Wholly Owned Subsidiary and Controlled Entity comprising of the Restated Consolidated Summary Statements of Assets and Liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019, the Restated Consolidated Summary Statement of Profit & Loss Account (including other comprehensive income), the Restated Consolidated Summary Statement of Changes in Equity and the Restated Consolidated Summary Statements of Cash Flow for the year ended March 31, 2021, March 31, 2020, and March 31, 2019 and significant accounting policies and other explanatory information to the Restated Consolidated Summary Statements have been prepared in all material respects with the relevant provisions of the SEBI ICDR Regulations ,as amended from time to time in pursuance of the SEBI Act, 1992 and the Guidance Note on Report in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India.

The Interim Condensed Consolidated Financial Statements of our Company, and its Wholly Owned Subsidiary and Controlled Entity, for the three months period ended June 30, 2021 have been prepared in accordance with the Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and reviewed in accordance with the Standard on Review Engagements (SRE) 2410, *"Review of Interim Financial Information performed by the Independent Auditor of the Entity"* issued by the Institute of Chartered Accountants of India.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures.

Non GAAP measures

Certain non-Ind AS financial measures and certain other statistical information relating to our operations and financial performance such as net worth, return on net worth, net asset value per equity share, non-current borrowings/total equity attributable to the equity holders of the Parent, total borrowings/total equity attributable to the equity holders of the Parent and EBITDA, have been included in this Letter of Offer are supplemental measures of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these non-GAAP measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to the financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. For details please see "*Risk Factor - Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition*" on page 46.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America; and
- "Euro" or "€" are to Euros, the official currency of the European Union.

Our Company has presented certain numerical information in this Draft Letter of Offer in "lakh" or "Lac" units or in whole numbers. One lakh represents 1,00,000 and one million represents 10,00,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operation*" and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Consolidated Summary Statements and Interim Condensed Consolidated Financial Statements.

Exchange Rates

This Draft Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency	Exchange rate as on			
	June 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019*
1 USD	74.33	73.53	75.38	69.17
1 Euro	88.36	86.10	83.04	77.70

**Exchange rate as on March 29, 2019, as RBI reference rate is not available for March 31, 2019 and March 30, 2019 being a Saturday and Sunday, respectively.*

(Source: www.rbi.org.in and www.fbil.org.in)

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured Although we believe the industry and market data used in this Draft Letter of Offer is reliable, such third-party data has not been independently verified by our Directors, our Promoters or the Lead Manager or any of their respective affiliates or advisors and none of these parties, jointly or severally, make any representation as to the accuracy of this information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 27, this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD - LOOKING STATEMENTS

This Draft Letter of Offer contains certain "forward-looking statements". Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the chapters titled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Industry Overview*". Forward-looking statements include statements concerning our Company's plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company's competitive strengths and weaknesses, our Company's business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "continue", "can", "could", "expect", "estimate", "intend", "likely", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek to", "will", "will continue", "will pursue", "forecast", "target", or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- Any adverse changes in central or state government policies;
- Any adverse development that may affect our operations in Tamil Nadu;
- Loss of one or more of our key customers and/or suppliers;
- An increase in the productivity and overall efficiency of our competitors;
- Any adverse development that may affect the operations of our manufacturing units;
- Our ability to maintain and enhance our brand image;
- Our reliance on third party suppliers for our products;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;

- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Wholly Owned Subsidiary and Controlled Entity and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer/ works contracts without cause and with little or no notice or penalty; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" beginning on pages 27, 82 and 113, respectively, of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoters, the LM, the Syndicate Member(s) nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company and the Lead Manager will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchange.

SUMMARY OF THIS DRAFT LETTER OF OFFER

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by the more detailed information appearing in this Draft Letter of Offer, including the sections titled "*Risk Factors*", "*The Issue*", *"Capital Structure*", "*Objects of the Issue*", "*Our Business*", "*Industry Overview*", "*Outstanding Litigation and Material Developments*" and "*Terms of the Issue*" on pages 27, 53, 58, 64, 82, 74, 149 and 165 respectively.

1. Summary of Industry

INDIAN MANUFACTURING SECTOR

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. Government aims to create 100 million new jobs in the manufacturing sector by 2022.

Pillar for economic growth

- Organised manufacturing is the biggest private sector employer in India. Overall, more than 30 million people are employed in the sector (organized and unorganised) and will become the engine of growth as it tries to incorporate the huge available work force in India, most of who are semi-skilled.
- The sector will push growth in the rural areas where more than 5 million manufacturing establishments are running already. This will be an alternative available to the new generation of farmers.
- Government aims to achieve 25% GDP share and 100 million new jobs in the sector by 2022.
- The manufacturing sector of India has the potential to reach US $1 trillion by 2025.

For further details, please refer to the chapter titled "*Industry Overview*" at page 74 of this Draft Letter of Offer.

2. Summary of Business

Our Company was incorporated as '*Mettur Industries Limited*' on November 23, 1936 as a public limited company under the Companies Act, 1913 with the Registrar of Joint Stock Companies, Tamil Nadu, Madras. The name of our Company was changed to "*Mettur Beardsell Limited* on November 10, 1969 and later to "*Beardsell Limited"* on October 1, 1983. We manufacture and market a variety of thermal insulation and packaging products, mainly Expanded Polystyrene (EPoS) and rigid and flexible Polyurethane Foam (PUF) products. We also provide insulation contracting services and manufacture specialized thermally insulated doors and windows for cold storages and clean rooms. We also cater to the construction industry and manufacture and market pre-fabricated metal sheet and EPoS core buildings and panels. Finished goods are subjected to exhaustive quality checks, in line with industry standards.

We have expertise in designing, mould making and production of EPoS and PUF based thermal insulation and packaging products. We have a wide customer base and cater to customers from various industries like consumer durables (national and international), electronics, engineering products, pharmaceutical and agro products like vegetables and fish.

For further details, please refer to the chapter titled "*Our Business*" at page 82 of this Draft Letter of Offer.

3. Our Promoter

The Promoters of our Company are Amrith Anumolu, Jaysree Anumolu, Bharat Anumolu, Lalithamba Panda, Gunnam Subba Rao Insulation Private Limited and Villasini Real Estate Private Limited. For further details please see chapter titled "*Our Promoter*" beginning on page 104 of this Draft Letter of Offer.

4. Objects of the Issue

The Net Proceeds are proposed to be used in the manner set out in the following table:

Particulars	Amount *(₹ in lakhs)*
Part repayment or prepayment of Inter-Corporate Deposits availed by our Company from lenders	245
Part repayment/ Pre-payment of certain unsecured loans availed from our Promoter Jayasree	375

Particulars	Amount *(₹ in lakhs)*
Anumolu	
General Corporate Purposes	[●]
Total Net proceeds	[●]

For further details, please see chapter titled "*Objects of the Issue*" beginning on page 64 of this Draft Letter of Offer.

5. Select Financial Information

Following are the details derived from the Restated Consolidated Summary Statements as at and for the Financial Years ended on March 31, 2021, March 31, 2020 and March 31, 2019 and the Interim Condensed Consolidated Financial Statements for the three months period ended June 30, 2021:

(₹ in lakhs)

S. No.	Particulars	June 30, 2021*	March 31, 2021	March 31, 2020	March 31, 2019
1.	Equity Share Capital	561.98	561.98	561.98	561.98
2.	Net Worth	3,952.42	3,948.38	4,031.02	4,022.94
3.	Total Income	3,507.40	13,315.49	16,171.55	19,387.19
4.	Profit/(loss) before tax@	13.48	33.12	126.87	(68.79)
5.	Profit/(loss) for the period / year@	7.38	(40.33)	81.93	(86.30)
6.	Basic Earnings per Share (in ₹)	0.03#	(0.14)	0.29	(0.31)
7.	Diluted Earnings per Share (in ₹)	0.03#	(0.14)	0.29	(0.31)
8.	Net Asset Value per Equity Share (in ₹)	14.07	14.05	14.35	14.32
9.	Total Borrowings	3,754.55	3,540.20	3,771.78	4,082.02

*Financial information for the three months period ended June 30, 2021 are not comparable with the annual financial information.
not annualized.
@ Profit/loss represents restated profit/(loss) for the year ended March 31, 2021, March 31, 2020 and March 31, 2019
For further details, please refer the section titled "*Other Financial Information*" on page 109 of this Draft Letter of Offer.

6. Summary of Outstanding Litigation

A summary of the pending tax proceedings and other material litigations involving our Company, our Promoter, our Directors and our Group Companies is provided below.

Litigations involving our Company

i) Cases filed against our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	20	611.09
Actions taken by regulatory authorities	01	3.00
Material civil litigations	01	Not quantifiable

**To the extent quantifiable*

ii) Cases filed by our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	11	128.61
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Material civil litigations	01	302.14
Criminal matters	11	128.61

**To the extent quantifiable*

For further details, please see the chapter titled "*Outstanding Litigation and Material Developments*" beginning on page 149 of this Draft Letter of Offer.

7. Risk Factors

Please see the chapter titled "*Risk Factors*" beginning on page 27 of this Draft Letter of Offer.

8. Summary of Contingent Liabilities

Following are the details derived from the Restated Consolidated Summary Statements as at and for the Financial Year ended on March 31, 2021, 2020 and 2019 and Unaudited Interim Condensed Consolidated Financial Statements as at and for the 3 months period ended June 30, 2021 and have been classified as contingent liabilities pursuant to Ind AS 37:

(₹ in lakhs)

Particulars	As at 30 June 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Claims against the Group not acknowledged as debts	23,69	23.69	22.77	22.77
Sales tax demands against which the Group has filed appeals	611.09	611.09	583.10	744.25

For further details of contingent liability as at March 31, 2021, March 31, 2020 and March 31, 2019 as per Ind AS 37, please see the chapters titled "*Restated Consolidated Summary Statements- Annexure –VII - Notes to Restated Consolidated Summary Statements- Contingent Liabilities*" at page F101 of the Restated Consolidated Summary Statements in this Draft Letter of Offer.

9. Summary of Related Party Transactions

a. Summary of related party transactions as per Ind AS 24-Related Party Disclosures, read with SEBI ICDR regulations, derived from the Restated Consolidated Summary Statements as at and for the Financial Years ended on March 31, 2021, 2020 and 2019, , is as follows:

Particulars	**March 31, 2021** (₹ in lakhs)		**March 31, 2020** (₹ in lakhs)		**March 31, 2019** (₹ in lakhs)	
	Affiliates	**Key Managerial Personnel & their Relatives**	**Affiliates**	**Key Managerial Personnel & their Relatives**	**Affiliates**	**Key Managerial Personnel & their Relatives**
Transactions during the period						
Lease rent income	4.80	-	4.80	-	3.10	-
Lease rent expense	48.60	-	48.00	-	48.00	-
Managerial remuneration paid*						
Mr. Amrith Anumolu	-	35.30	-	37.29	-	46.66
Mr. V V Sridharan	-	19.36	-	24.91	-	21.93
Mr. K Murali	-	5.95	-	14.17	-	14.30
Mr. T Anantha Jothi	-	8.53	-	-	-	-
Mr. Bharat Anumolu	-	-	-	9.11	-	76.12
Sitting fees paid to Directors						
Mr. Amrith Anumolu	-	2.40	-	2.00	-	1.20
Mrs. Jayasree Anumolu	-	1.20	-	1.60	-	1.20

Particulars	March 31, 2021 (₹ in lakhs)		March 31, 2020 (₹ in lakhs)		March 31, 2019 (₹ in lakhs)	
	Affiliates	**Key Managerial Personnel & their Relatives**	**Affiliates**	**Key Managerial Personnel & their Relatives**	**Affiliates**	**Key Managerial Personnel & their Relatives**
Mr. Gowrishanker	-	2.80	-	2.40	-	1.60
Mr. V J Singh	-	2.20	-	2.20	-	2.20
Mr. Gurram Jagannathan Reddy	-	2.60	-	1.80	-	-
Mr. A V Ram Mohan	-	2.80	-	1.20	-	-
Mr. Bharat Anumolu	-	-	-	0.20	-	2.00
Mrs. Vijayalakshmi Ravindranath	-	-	-	-	-	1.00
Unsecured Loan received						
Mrs. Jayasree Anumolu	-	250.00		100.00	-	25.00
Mr. Bharat Anumolu	-	-	-	-	-	100.00
Mr. Amrith Anumolu	-	-	-	-	-	16.00
Mr. Gowrishanker	-	-	-	-	-	400.00
Unsecured Loan repaid						
Mr. Amrith Anumolu	-	8.00	-	-	-	-
Mr. Gowrishanker	-	170.00	-	80.00	-	150.00
Mr. Bharat Anumolu	-	-	-	7.08	-	116.67
Mrs. Jayasree Anumolu	-	-	-	-	-	21.82
Public deposits repaid						
Mrs. Lalithamba Panda	-	80.18	-	-	-	-
Mrs. S N Radha	-	5.00	-	-	-	-
Public deposits received						
Mrs. Lalithamba Panda	-	80.18	-	-	-	20.00
Mrs. S N Radha	-	5.45	-	5.00	-	-
Mrs. T Anantha Jothi	-	5.20	-	-	-	-
Intercorporate loan received						
Villasini Real Estate Private Limited	-	-	-	-	20.00	-
Intercorporate loan repaid						
Villasini Real Estate Private Limited	-	-	-	-	20.00	-

Particulars	March 31, 2021 (₹ in lakhs)		March 31, 2020 (₹ in lakhs)		March 31, 2019 (₹ in lakhs)	
	Affiliates	**Key Managerial Personnel & their Relatives**	**Affiliates**	**Key Managerial Personnel & their Relatives**	**Affiliates**	**Key Managerial Personnel & their Relatives**
Finance cost during the year on loans						
Mr. V J Singh	-	0.84	-	0.84	-	0.84
Mr. Amrith Anumolu	-	1.38	-	1.93	-	0.84
Mr. Gowrishanker	-	1.21	-	23.85	-	9.60
Mrs. Jayasree Anumolu	-	22.44	-	9.02	-	1.57
Mrs. Lalithamba Panda	-	10.42	-	-	-	-
Mr. Bharat Anumolu	-	8.75	-	8.81	-	4.56
Mrs. S N Radha	-	0.57	-	-	-	-
Mrs. T Anantha Jothi	-	0.22	-	-	-	-
M/s Villasini Real Estate Private Limited	-	-	-	-	0.21	-

*As the future liabilities of gratuity and leave encashment are provided on actuarial basis for the Group as a whole, the amounts pertaining to key managerial personnel is not separately ascertainable and therefore not included above.

b. Following are inter-company transactions with the Company eliminated on consolidation and disclosed as per requirement of SEBI ICDR regulations

Particulars	March 31, 2021 (₹ in lakhs)		March 31, 2020 (₹ in lakhs)		March 31, 2019 (₹ in lakhs)	
	Wholly owned subsidiary	**Controlled entity**	**Wholly owned subsidiary**	**Controlled entity**	**Wholly owned subsidiary**	**Controlled entity**
Transactions during the period						
Sale of products	203.24	156.36	2.93	73.12	-	182.21
Purchase of materials	667.51	372.99	705.36	228.37	1,005.80	424.81
Service income	-	-	-	8.00	-	72.00
Lease rent income	12.00	-	12.00	-	12.00	-
Sale and lease back	-	-	192.01	-	-	-
Net gain on sale and lease back	-	-	2.31	-	-	-
Financial guarantee income	3.52	-	1.29	-	-	-
Lease rent expense	21.00	-	1.75	-	-	-
Capital contributed	-	350.00	-	-	-	-
Interest expense on lease liabilities	1.26	-	0.01	-	-	-
Share of loss	-	39.04	-	150.31	-	104.28
Sale of property, plant and equipment	-	0.48	-	-	-	-

c. Summary of related party transactions as per Ind AS 24-Related Party Disclosures, derived from the Unaudited Interim Condensed Consolidated Financial Statements as at and for the 3 months period ended on June 30, 2021 is as follows:

Particulars	June 30, 2021 (₹ in lakhs)		June 30, 2020 (₹ in lakhs)	
	Affiliates	**Key Managerial Personnel & their Relatives**	**Affiliates**	**Key Managerial Personnel & their Relatives**
Transactions during the period				
Lease rent income	1.20	-	1.20	-
Lease rent expense	13.80	-	12.00	-
Managerial remuneration paid*				
Mr. Amrith Anumolu	-	8.75	-	2.01
Mr. V V Sridharan	-	4.65	-	2.38
Mr. K Murali	-	2.01	-	5.95
Mr. T Anantha Jothi	-	1.02	-	1.42
Sitting fees paid to Directors				
Mr. Amrith Anumolu	-	0.60	-	0.80
Mrs. Jayasree Anumolu	-	0.60	-	0.40
Mr. Gowrishanker	-	0.80	-	0.80
Mr. V J Singh	-	0.80	-	0.60
Mr. Gurram Jagannathan Reddy	-	0.80	-	0.40
Mr. A V Ram Mohan	-	1.00	-	0.60
Unsecured Loan repaid				
Mr. Amrith Anumolu	-	-	-	3.00
Mr. Gowrishanker	-	-	-	170.00
Finance cost during the year on loans				
Mr. V J Singh	-	0.21	-	0.21
Mr. Amrith Anumolu	-	0.24	-	0.45
Mrs. Jayasree Anumolu	-	11.22	-	3.78
Mrs. Lalithamba Panda	-	0.83	-	2.63
Mr. Bharat Anumolu	-	2.18	-	2.20
Mrs. S N Radha	-	0.21	-	0.13
Mrs. T Anantha Jothi	-	0.04	-	-

*As the future liabilities of gratuity and leave encashment are provided on actuarial basis for the Group as a whole, the amounts pertaining to key managerial personnel is not separately ascertainable and therefore not included above.

For details of Related Party Transactions, please refer "*Related Party Transactions*" at page 107

10. Issue of equity shares made in last one year for consideration other than cash

Our Company has not made any issuances of Equity Shares in the last one year for consideration other than cash.

11. Split or consolidation of Equity Shares in the last one year

No split or consolidation of equity shares has been made in the last one year prior to filing of this Draft Letter of Offer.

SECTION II - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

To obtain a complete understanding, you should read this section in conjunction with the sections "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 74, 82 and 113 of this Draft Letter of Offer, respectively. The industry-related information disclosed in this section has been derived from publicly available documents from various sources.. Although we believe the industry and market data used in this Draft Letter of Offer is reliable, such third-party data has not been independently verified by our Directors, our Promoters or the Lead Manager or any of their respective affiliates or advisors and none of these parties, jointly or severally, make any representation as to the accuracy of this information. Neither our Company, nor any other person connected with the Issue, including the LM, has independently verified the third party information in the industry report or other publicly available information cited in this section.

This Draft Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled "Forward-Looking Statements" on page 18 of this Draft Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Restated Consolidated Summary Statements prepared in all material respects with relevant provisions of the SEBI ICDR Regulations ,as amended from time to time in pursuance of the SEBI Act, 1992 and the Guidance Note on Report in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India and the Interim Condensed Consolidated Financial Statements prepared in accordance with the Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and reviewed in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India.

Materiality:

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality of Risk Factors:

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively; and*
- *Some events may not be material at present but may have a material impact in future.*

-

The financial and other related implications of risks concerned, wherever quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

In this Draft Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to Beardsell Limited.

The risk factors are classified as under for the sake of better clarity and increased understanding.

INTERNAL RISK FACTORS

1. ***The novel coronavirus (Covid-19) pandemic outbreak and steps taken to control the same have significantly impacted our business, results of operations, financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.***

   The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses, including the insulation, packaging and construction industry in which our Company operates and from where it derives substantial revenues and profits. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period of time. In view of the onslaught of second wave of the virus and the forecast of a third wave, this pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe.

   The COVID - 19 pandemic has significantly impacted the production, revenue, profit etc. reported by our Company in the Fiscal 2021, in comparison with the figures reported in the Fiscal 2020. During such period, our Company reported a decline in production of thermal insulation and packaging products and pre-fabricated metal sheet and EPoS core buildings and panels by (18.37%) % and (20)% respectively and consequently, reported a decline in our total income and restated profit/(loss) for the year by (17.66)% and (149.22) % respectively.

   This significant decline in our production, revenue, profit etc. was caused due to the lockdown imposed by the Central Government and various State Governments and the consequent halting of operations in our manufacturing units. Even after resumption of operations from May 2020, our business operations and installed capacity were partially utilized due to scarcity of workers, which impacted our business, results of operations and financial condition.

   Our Company has made a detailed assessment of its liquidity position and of the recoverability of the Company's assets based on internal and external information. Based on the performance of sensitivity analysis on the assumptions used and considering the current indicators of future economic conditions relevant to our Company's operations (wherever applicable), our management expects to recover the carrying value of these assets. However, due to COVID-19 pandemic, the impact of COVID-19 pandemic may differ from those estimated.

   Our Statutory Auditor has included an emphasis of matter in its examination report on our Restated Consolidated Summary Statements for the Financial Years 2021 and 2020, describing the impact of COVID-19 pandemic, and its consequential impact on our Company's operations and carrying value of its assets.

2. ***Our Company is significantly reliant on the revenues earned from our insulation and pre-fabricated metal sheet and EPoS core buildings and panels. Any downturn in our ability to increase or effectively manage our sales could have an adverse impact on our Company's business, cash flows and results of operations.***

   Since inception, our Company has been engaged in the manufacturing of EPoS and rigid and flexible PUF based thermal insulation products. The Company later started manufacturing pre-fabricated metal sheet and EPoS core buildings and panels. We have set up six manufacturing units across India for carrying out the business activities under our insulation and pre-fabricated metal sheet and EPoS core buildings and panels division. The insulation and pre-fabricated metal sheet and EPoS core buildings and panels division contributed 91.79%, 92.53% and 89.95% towards our revenue of operations for the Fiscals 2021, 2020 and 2019 respectively. Our revenues are highly dependent on the customer base of our insulation and pre-fabricated products division and the loss of any of our customers may adversely affect our sales and consequently on our business and results of operations.

The insulation and pre-fabricated metal sheet and EPoS core buildings and panels industry is fragmented and inherently competitive with several regional brands and retailers present in local markets across the country. In the event, our customers substitute our products with that of our competitors due to difference in price or quality of the products, it may have an adverse impact on the demand for our products. Similarly, in the event our competitors who are larger than us or develop alliances to compete against us may be able to improve the efficiency of their manufacturing process or their distribution or raw materials sourcing process and thereby offer high quality products at lower price and our Company may be unable to adequately react to such developments which may affect our revenues and profitability. Furthermore, our competitors may be able to with-stand industry downturns better than us or provide customers with products at more competitive prices; thereby impacting our revenues and profitability adversely.

3. ***We depend almost entirely on third-party suppliers in respect of availability of our raw materials. An interruption in the supply of such products and price volatility could adversely affect our business, results of operations, cash flows and financial condition***

Key raw materials required by us include expandable polystyrene, which is a petroleum derivative, and metal sheets specifically pre-painted galvanized iron (PPGI Coils). We use expandable polystyrene to manufacture EPoS which in turn is used to manufacture EPoS thermal insulation and packaging products. We use specialised chemicals to manufacture Polyurethane Foam (PUF) which is used to manufacture rigid and flexible PUF thermal insulation products. Further we use metal sheets to manufacture pre-fabricated metal sheet and EPoS core buildings and panels. In Fiscal 2021, we spent ₹ 1,999.58 lakhs for 1,957 tonnes of expandable polystyrene and ₹ 1.464.50 lakhs for 1,870 tonnes of PPGI Coils in comparison to Fiscal 2020, where we spent ₹ 2,111.55 lakhs and ₹ 1,638.20 lakhs for 2,221.85 tonnes of expandable polystyrene and 2,164.88 tonnes of PPGI Coils respectively. For Fiscal 2021 our consumption of expandable polystyrene and metal sheet was 1,957 tonnes and 1,850 tonnes respectively. We procure 100% of expandable polystyrene, specialized chemicals for making PUF and metal sheets required by us through third party suppliers. Hence, we are significantly dependent on them for supply of expandable polystyrene, specialized chemicals and metal sheets which is a key raw material in manufacturing our products. We issue purchase orders for purchase of our raw materials based on our anticipated requirements. We do not have any long term contracts with fixed inventory requirements and consideration in this regard. Absence of such long term contracts with our suppliers exposes us to the price volatility of raw materials. In case of unexpected increase in the prices of any of the raw materials, the increase in the selling price of the finished products may not be in proportion to the increase in raw material price, which may adversely affect our sales, cash flow and our overall profitability. Further, if the supplier is unable to supply the expandable polystyrene, the specialized chemicals for manufacturing PUF and metal sheets to us on commercially reasonable terms or the quantity we require, it may adversely affect our production schedule and we may have to purchase expandable polystyrene or the specialized chemicals or the metal sheets at a higher rate from the market, which may affect our profitability.

4. ***We have experienced a decrease in the utilisation of our production capacities in the past at some of our manufacturing units.***

We have not been able to utilise our installed production capacities optimally at some of our manufacturing units located at Thane in Maharashtra, Tamil Nadu, Karnataka and Telangana and have suffered a decrease in our EPoS production capacity utilisation in the last three years. Our EPoS capacity utilisation decreased from 88.63% for Fiscal 2018-19 to 67.08% for the Fiscal 2020-21 at our manufacturing unit located at Thane in Maharashtra. Further, the EPoS capacity utilisation at our manufacturing unit located in Tamil Nadu reduced from 93.75% in Fiscal 2018-19 to 89.06% in Fiscal 2019-20 and is 51.46% for Fiscal 2020-21. We have faced similar reduction in capacity utilisation at our manufacturing units located in Karnataka and Telangana. For details, please refer to "*Our Business – Capacity Utilisation*" at page 89. We cannot assure you that our Company will be able to increase the capacity utilisation at such manufacturing units or inform the timeline when such increase in capacity utilisation may take place. Further reduction in the capacity utilisation at our manufacturing units may adversely impact our business and operations.

5. ***A part of the Issue proceeds will be utilized by our Company for part-repayment or prepayment of unsecured loans availed from one of our Promoters, Jaysree Anumolu.***

One of the Objects of this Issue is to partly repay or pre pay the unsecured loans amounting to an aggregate of ₹ 375 lakhs availed by our Company from our Promoter Jaysree Anumolu. These unsecured loans have been utilized by our Company towards partial repayment of our secured loans and augmentation of working capital requirements. Out of the Issue proceeds, we intend to utilize ₹ 375 lakhs for part repayment or pre-payment of the unsecured loans availed by our Company from our Promoter. For further details, please see the chapter titled "*Objects of the Issue*" beginning on page 64 of this Draft Letter of Offer.

6. ***Our Group incurred losses in Fiscal 2019 and Fiscal 2021. Continuous financial losses incurred by us may be perceived adversely by external parties such as clients and bankers, which could affect our reputation, business, cash flows, financial condition and results of operation.***

Our Group has incurred losses in Fiscal 2019 and Fiscal 2021. The loss incurred in Fiscal 2021 is attributable largely to the COVID 19 pandemic and its consequent nationwide lockdown, the details of which are provided below:

(₹ in lacs)

Particulars	
Restated profit/ (loss) for the year ended March 31, 2021	(40.33)
Restated profit/ (loss) for the year ended March 31, 2019	(86.30)

There can be no assurance that we will not incur losses in any future periods, or that there will not be an adverse effect on our reputation or business as a result of such losses. Such losses incurred by us may be perceived adversely by external parties such as customers, bankers, and suppliers, which could affect our reputation.

7. ***Our Group has experienced negative cash flow in the past and may continue to do so in the future, which could have a material adverse effect on our business, prospects, cash flows, financial condition, cash flows and results of operations.***

Our Group has experienced negative net cash flow in the investing and financing activities in the past, the details of which are provided below for the period / year ended:

(₹ in lacs)

Particulars	**June 30, 2021**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Net cash flow (used in) investing activities	(28.50)	(201.87)	(234.05)	(485.00)

(₹ in lacs)

Particulars	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Net cash flow from / (used in) financing activities	(896.69)	(1,169.98)	(691.83)

Our Group may incur negative cash flows in the future which could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

8. ***There are outstanding litigations involving our Company which, if determined adversely, may adversely affect our business and financial condition.***

As on the date of this Draft Letter of Offer, our Company is involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and/or severally from us and/or other parties, as the case may be. We cannot assure you that these legal proceedings will be decided in favour of our Company or that no further liability will arise out of these proceedings. We may incur significant expenses in such legal proceedings, and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may adversely affect our business, results of operations and financial condition.

A summary of the pending tax proceedings and other material litigations involving our Company as on the date of this Draft Letter of Offer are provided below:

Litigations involving our Company

iii) Cases filed against our Company:

Nature of Litigation	**Number of matters outstanding**	**Amount involved* (₹ in lakhs)**
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Indirect Tax matters	20	611.09
Actions taken by regulatory authorities	01	3.00
Material civil litigations	01	Not quantifiable

**To the extent quantifiable*

iv) Cases filed by our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	11	128.61
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Material civil litigations	01	302.14

**To the extent quantifiable*

Further, on May 17, 2019 a Company Petition has been filed by our erstwhile Managing Director, Mr. Bharat Anumolu before the National Company Law Tribunal against our Company and members of our Company i.e. Mr. Amrith Anumolu, Mr. Ramaswamy Gowrishanker and Mrs. Jayashree Anumolu under Section 241 to 244 of the Companies Act 2013 seeking certain relief and action against the Directors of the Company citing oppression and mismanagement of the Company and to protect the minority interest and other genuine shareholders. The Company has intimated to the stock exchange about this application filed before the NCLT by the erstwhile Managing Director. The matter is pending before NCLT and there have been no material updates to this matter.

For further details, please refer to the section titled "*Outstanding Litigation and Other Material Developments*" on page 149 of this Draft Letter of Offer.

9. Our Wholly Owned Subsidiary and Controlled Entity have incurred losses in the last three years.

Our Wholly Owned Subsidiary and Controlled Entity have incurred losses in the last three years, details of which are as under:

(₹ in lakhs)

Name of the entity	Profit/(Loss)		
	March 31, 2021	March 31, 2020	March 31, 2019
Sarovar Insulation Private Limited	(6.46)	(21.31)	7.64
M/s Saideep Polytherm	(39.03)	(150.31)	(104.28)

There can be no assurance that our Wholly Owned Subsidiary and Controlled Entity will not incur losses in any future periods, or that there may not be an adverse effect on our reputation or business as a result of such losses. Such losses incurred by our Wholly Owned Subsidiary and Controlled Entity may be perceived adversely by external parties such as customers, bankers, and suppliers, which may affect our reputation.

10. Our Wholly Owned Subsidiary, Sarovar Insulation Private Limited have a negative Net Worth.

Our Wholly Owned Subsidiary, Sarovar Insulation Private Limited has a negative Net Worth due to the losses reported by them, details of which are provided below:

(₹ in lakhs)

Name of the entity	Negative Net Worth		
	March 31, 2021	March 31, 2020	March 31, 2019
Sarovar Insulation Private Limited	(217.73)	(207.00)	(185.69)

There can be no assurance that our Wholly Owned Subsidiary will not have a negative Net Worth in the future as well.

11. Our continued operations are critical to our business and any shutdown of our manufacturing unit might adversely affect our business, results of operations, cash flows and financial condition. The loss of, or shutdown of, our operations at the manufacturing units or any disruption in the operation of our warehouses will adversely affect our business, cash flows, financial condition and results of operations.

Currently we are operating from six different manufacturing units out of which are 2 manufacturing units are located in the state of Maharashtra and one each in the state of Telangana, Tamil Nadu, Karnataka and Uttar Pradesh. Any local social unrest, natural disaster or breakdown of services and utilities in these areas might have material adverse effect on the business, financial position and results of our operations. Our current manufacturing units are subject to operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities.

In the event, we are forced to shut down our manufacturing units for a prolonged period; it would adversely affect our earnings, our other results of operations, cash flows and financial condition as a whole. Spiraling cost of living around our units may push our manpower costs in the upward direction, which might reduce our margin and cost competitiveness. For instance, due to the ongoing pandemic and the nationwide lockdown which was imposed by the Central Government and various state governments, we had to shut down some of our manufacturing units. Pursuant to various notifications issued by Ministry of Home Affairs, Government of India, all our manufacturing units were allowed to start their operations subject to the conditions prescribed therein. With the onslaught of a third wave of Coronavirus looming, a further lockdown might be imposed or if for other unforeseeable reasons, we might have to halt the operations in our manufacturing units, which might cause an adverse impact on our business operations, revenue, results of operations, cash flows and financial conditions.

Our manufacturing, processing and other business activities might be subject to unexpected interruptions, including natural or man-made disasters. Our facilities and operations might be adversely affected by, among other factors, breakdown or failure of equipment, difficulties or delays in obtaining spare parts and equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, raw material shortages, fire, explosion and other unexpected industrial accidents and the need to comply with the directives of relevant government authorities.

Furthermore, any significant interruption to our operations directly or indirectly as a result of any industrial accidents, severe weather or other natural disasters might materially and severely affect our business, cash flows, financial condition and results of operations. Similar adverse consequences could follow if war, or war-like situation were to prevail, terrorist attacks were to affect our related infrastructure, or if the Government of India were to temporarily take over the facility during a time of national emergency. In addition, any disruption in basic infrastructure, such as in the supply of electricity may substantially increase our manufacturing costs. Any disruption of our existing supply of infrastructure services such as power or water, our failure to obtain such additional supplies as required by us or an increase in the cost of such supplies may result in additional costs to us. In such situations, our production capacity may be materially and adversely impacted. In the event our facilities are forced to shut down for a significant period of time, our earnings, cash flows, financial condition and results of operation would be materially and adversely affected.

12. ***Any failure in our quality control processes may adversely affect our business, results of operations, cash flows and financial condition. We may face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations.***

We have implemented quality control processes for our raw materials and finished goods on the basis of our internal quality standards. We also procure our raw materials from our standard suppliers who maintain industry standards quality check mechanisms. However, there may be situations where our products might have certain quality issues or undetected errors, due to defects in manufacture of products or raw materials which are used in the products. As a result, we cannot assure you that our quality control processes will not fail or the quality tests and inspections conducted by us will be accurate at all times. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality control procedures, negligence, human error or otherwise, may damage our products and result in deficient products. It is imperative for us to meet the international quality standards set by our international customers and agencies as deviation from the same may cause them to reject our products and cause damage to our reputation, market standing and brand value.

In the event the quality of our products is sub-standard or our products suffer from defects and are returned by our customers due to quality complaints, we may be compelled to take back and replace the sub-standard products. Such quality lapses may affect our reputation and our brand image may suffer, which in turn may adversely affect our business, results of operations, cash flows and financial condition. We may also face the risk of legal proceedings and product liability claims being brought against us by our customers for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs.

13. ***Some of the raw materials that we use are inflammable in nature. While we take adequate care and follow all relevant safety measures, there is a risk of fire and other accidents, at our manufacturing units and warehouses. Any accidents is likely to result in loss of property of our Company and/or disruption in the manufacturing processes which may have a material adverse effect on our results of operations, cash flows and financial condition.***

The key raw material used by us for manufacturing our insulation products is expandable polystyrene. Due to its combustible nature of expandable polystyrene and the semi-finished or finished EPoS and PUF products manufactured by us, we might be exposed to fires or other industrial accidents. While our Company believes that it has necessary controls and processes in place, any failure of such systems, mishandling of hazardous chemicals or any adverse incident related to the use of these chemicals or otherwise during the manufacturing process or storage of products and certain raw materials, may cause industrial accidents, fire, loss of human life, damage to our and third-party property or cause environmental damage. If any industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. In addition to adversely affecting our reputation, any such accidents, may result in a loss of property of our Company and/or disruption in our manufacturing operations entirely, which may have a material adverse effect on our results of operations, cash flows and financial condition. In addition to the loss as a result of such fire or industrial accident, any shutdown of any of our manufacturing units may result in us being unable to meet with our commitments, which will have an adverse effect on our business, results of operation, cash flows and financial condition.

Further, any fire or industrial accident, any shutdown of our manufacturing units or any environmental damages will increase the regulatory scrutiny and result in enhanced compliance requirements including on use of materials and effluent treatment which would, amongst others, increase the cost of our operations. We cannot assure you that despite our best efforts we will not face similar situations at our manufacturing units which may result in significant loss to our Company and/or a disruption of our manufacturing operations. The loss incurred by our Company, though adequately insured, may or may not be recoverable through the insurance maintained by us. Such loss and/or disruption of our manufacturing operations may have a material adverse effect on our operations, cash flows and financial condition.

14. ***Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.***

As per our settled business terms, we require our customers to pay the full amount of the consideration only after they receive the order, as a result, significant amounts of our working capital are often required to finance the purchase of raw material and execution of manufacturing processes before payment is received from our customers. Further, we are also required to meet the increasing demand and for achieving the same, adequate stocks are required to be maintained which requires sufficient working capital. In the event, we are unable to source the required amount of working capital for addressing such increased demand of our products, we might not be able to efficiently satisfy the demand of our customers. Even if we are able to source the required amount of funds, we cannot assure you that such funds would be sufficient to meet our cost estimates and that any increase in the expenses will not affect the price of our products.

Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payments for a product on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. We may file a claim for compensation of the loss that we incurred pursuant to such defaults but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain. In general, we make provisions for bad debts, including those arising from such defaults based primarily age of the debt and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. We may also have large cash outflows, including among others, losses resulting from environmental liabilities, litigation costs, adverse political conditions, foreign exchange risks and liability claims.

All of these factors may result, in increase in the amount of receivables and short-term borrowings. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition, cash flows and results of operations.

15. ***In the past, there have been instances of delayed or erroneous filing of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 to RoC by our Company and our Wholly Owned Subsidiary.***

In the past, there have been certain instances of delay in filing of statutory forms as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 with the RoC, which have been subsequently filed by payment of an additional fee as specified by RoC by our Company and our Wholly Owned Subsidiary Sarovar Insulation Private Limited.

No show cause notice in respect to the above has been received by our Company or our Wholly Owned Subsidiary till date and except as stated in this Draft Letter of Offer, no penalty or fine has been imposed by any regulatory authority in respect to the same. The occurrence of instances of delayed or erroneous filings in future may impact our results of operations and financial position.

16. ***As the securities of our Company are listed on Stock Exchanges in India, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.***

The Equity Shares of our Company are listed on BSE and NSE, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations. There have been instances in the past wherein, our Company has failed to comply with the requirements of the SEBI Listing Regulations in a timely manner.

Our Company endeavours to comply with all such obligations/reporting requirements, there may be non-disclosures/delayed/erroneous disclosures and/or any other violations which might have been committed by us, and the same may result into Stock Exchanges and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and Rules and Regulations made there under and applicable SEBI Circulars. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

17. ***If our Company is unable to protect its intellectual property, or if our Company infringes on the intellectual property rights of others, our business may be adversely affected.***

We are exposed to the risk that other entities may pass off their products as ours by imitating our brand name and attempting to create counterfeit products. We believe that there may be other companies or vendors which operate in the unorganized segment using our brand names. Any such activities may harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance. We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving, and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

Furthermore, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming, continuous supply of raw materials or to deliver our costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its intellectual property, which might adversely affect our business, results of operations, cash flows and financial condition.

18. ***We are dependent on information technology systems in carrying out our business activities and it forms an integral part of our business. Further, if we are unable to adapt to technological changes and successfully implement new technologies or if we face failure of our information technology systems, we may not be able to compete effectively which may result in higher costs and would adversely affect our business and results of operations.***

We are dependent on information technology system in connection with carrying out our business activities and such systems form an integral part of our business. Any failure of our information technology systems could result in business interruptions, including the loss of our customers, loss of reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition, cash flows and results of operations. Additionally, our information technology systems, specifically our software may be vulnerable to computer viruses, piracy, hacking or similar disruptive problems. Computer viruses or problems caused by third parties could lead to disruptions in our business activities. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our business activities, which could adversely affect our operations. Breaches of our information technology systems may result in unauthorized access to confidential information. Such breaches of our information technology systems may require us to incur further expenditure to put in place advanced security systems to prevent any unauthorised access to our networks. Further, the commercial success of our business is highly dependent on the developmental and innovative breakthroughs of our design division. In the event, any breach of our systems or software leads to the leaking of our designs or any inventive design techniques devised by our Company, it might lead to loss of our originality in the market and increase the chance of our products being substituted by the products of our competitors.

Our future success depends in part of our ability to respond to technological advancements and emerging standards and practices on a cost-effective and a timely basis. Our failure to successfully adopt such technologies in a cost-effective manner could increase our costs thereby compelling us to bid at lower margins which might lead to loss of bidding opportunities vis-à-vis such competitors. Additionally, the government authorities may require adherence with certain technologies and we cannot assure you that we would be able to implement such technologies in a timely manner or at all. The cost of upgrading or implementing new technologies or upgrading our existing equipment or expanding our capacity could be significant, less cost effective and therefore could negatively impact our profitability, results of operations, cash flows and financial condition as well as our future prospects.

19. ***The Equity Shares of our Company are not frequently traded on the Stock Exchanges.***

The Equity Shares of our Company are not frequently traded on the Stock Exchanges, as per the meaning ascribed to "frequently traded shares" under Regulation 2(1)(j) of SEBI Takeover Regulations. We cannot assure you that there might not be any adverse effect of the same on the market value of our Equity Shares or our business, results of operations and financial condition. For further details, please refer to the chapter titled "*Market Price Information*" on page 146 of this Draft Letter of Offer.

20. ***Our Company does not have any documentary evidence for the educational qualifications and experience of one of our Promoters and educational qualifications for one of our Directors.***

Our Non-Executive Director and Promoter, Jaysree Anumolu is unable to trace documents evidencing her educational qualifications. Due to lack of documents and relevant information from the aforementioned Director, we have not disclosed details of her educational qualifications in her biography in the chapter titled "*Our Management*" as is required under the SEBI ICDR Regulations. For further details, please refer to the chapter titled "*Our Management*" on page 95 of this Draft Letter of Offer. Further, our Promoter Lalithamba Panda is unable to trace documents evidencing her educational qualifications and work experience. Due to lack of documents and relevant information from the aforementioned Promoter, we have not disclosed details of her educational qualifications and work experience in her biography in the chapter titled "*Our Promoters*" as is required under the SEBI ICDR Regulations.

21. ***Our Corporate Promoter Villasini Real Estate Private Limited have incurred losses in the financial year ended March 31, 2020 and March 31, 2021.***

Our Corporate Promoter Villasini Real Estate Private Limited have incurred losses in the financial year ended March 31, 2020 and March 31, 2021, details of which are as under:

(₹ in lakhs)

Name of the entity	Profit/(Loss)	
	March 31, 2021	March 31, 2020
Villasini Real Estate Private Limited	-*	383,00

**Financials have not been filed with the RoC*

There can be no assurance that our Corporate Promoters will not incur losses in any future periods, or that there may not be an adverse effect on our reputation or business as a result of such losses.

22. ***Our inability to receive or renew the necessary licenses, approvals and registrations in a timely manner or at all may lead to interruption of our Company's operations.***

We require certain statutory and regulatory approvals, licenses, registrations and permissions to operate our manufacturing units, some of which have been granted for a fixed period of time and need to be renewed from time to time. As of date of this Draft Letter of Offer, there are no licenses, registrations and approvals which have expired or are invalid. Further, as of the date of this Draft Letter of Offer, there are no pending proceedings, which have been initiated against us by the statutory authorities. We cannot assure you that in the near future there will not be any legal actions taken against us for the same.

Further, our licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses, approvals and registrations. Failure by our Company to renew, maintain or obtain the required licenses or approvals, or cancellation, suspension, or revocation of any of the licenses, approvals and registrations may result in the interruption of our Company's operations and may adversely affect our business.

23. ***Our Promoters, Directors and Key Managerial Personnel have interests in our Company other than reimbursement of expenses incurred or remuneration or benefits.***

Our Promoters, Directors and Key Managerial Personnel, may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, Equity Shares held by them or their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company. Our Promoters, Directors and Key Managerial Personnel may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. For further details, please see the section titled "*Related Party Transactions"* at 107 of this Draft Letter of Offer.

There can be no assurance that our Promoters, Directors, Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters and members of our Promoter Group will continue to exercise significant control over our Company, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Directors and our Key Management Personnel may take or block actions with respect to our business, which may conflict with the best interests of our Company or that of minority shareholders.

24. ***Our Company has extended corporate guarantee with respect to loan facilities availed by our Wholly Owned Subsidiary, Sarovar Insulation Private Limited. Any defaults committed by our Wholly Owned Subsidiary or invocation of the guarantee extended by our Company may adversely affect our business operations, cash flows and financial condition.***

Our Company has extended corporate guarantee in favour of DBS Bank India Limited with respect to the loan facilities availed by our Wholly Owned Subsidiary, Sarovar Insulation Private Limited. In the event the business and operations of our Wholly Owned Subsidiary deteriorates and if it commits a default in payment of principal or interest due to the bank, the corporate guarantee extended by our Company may get invoked.

On the occurrence of any of the above-mentioned situations, the Bank might demand repayment of the outstanding amounts under the said facilities sanctioned to our Wholly Owned Subsidiary. In the event, we are unable to repay the outstanding amount in a timely manner or at all, the Bank may enforce the restrictive covenants or consequences of defaults which in turn may affect our further borrowing abilities thereby adversely affecting our business and operations. For further details, please refer to the chapter titled ― "*Financial Indebtedness*" on page 141 of this Draft Letter of Offer.

25. Our Wholly Owned Subsidiary and Controlled Entity may have conflicts of interest as it is engaged in similar business and may compete with us.

Our Wholly Owned Subsidiary Sarovar Insulation Private Limited and our Controlled Entity M/s Saideep Polytherm, are engaged in the same industry segment as our Company. Although the product portfolio offered by our Wholly Owned Subsidiary and Controlled Entity differ from our Company, however there might be conflicts of interest in future. We have not entered into any non-compete agreements with our Wholly Owned Subsidiary and Controlled Entity and there can be no assurance that our Wholly Owned Subsidiary and Controlled Entity will not compete with our existing business or any future business that we might undertake or that we will be able to suitably resolve such a conflict without an adverse effect on our business and financial performance.

26. Our Promoters and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.

After the completion of the Issue, our Promoters and the members of the Promoter Group will hold approximately [●]% of the paid-up equity share capital of our Company assuming full subscription to the Rights Entitlement in the Issue. Our Promoters and the members of the Promoter Group holding Equity Shares in our Company, have undertaken to fully subscribe for their Rights Entitlement. They reserve the right to subscribe for their Rights Entitlement pursuant to any renunciation made by any member of the Promoter Group to another member of the Promoter Group. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. So long as the Promoters have a majority holding, they will be able to elect the entire Board and control most matters affecting us, including the appointment and removal of the officers of our Company, our business strategy and policies and financing. Further, the extent of the Promoters' shareholding in our Company may result in the delay or prevention of a change of management or control of our Company, even if such a transaction may be beneficial to the other shareholders of our Company.

27. Our Group have certain contingent liabilities and our financial condition and profitability may be adversely affected if any of these contingent liabilities materialize.

As of June 30, 2021, our Group contingent liabilities as per Ind AS 37 as disclosed in the notes to our Unaudited Interim Condensed Consolidated Financial Statements as at and for the three months period ended June 30, 2021 are as follows:

(₹ in lakhs)

Particulars	As at 30 June, 2021
i) Contingent liabilities:	
a) Claims against the Group not acknowledged as debts	23.69
b) Sales tax demands against which the Group has filed appeals	611.09

Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

28. We have in past entered into related party transactions and we may continue to do so in the future.

As of March 31, 2021, we have entered into several related party transactions with our Promoters, individuals and entities forming a part of our Promoter Group and our Wholly Owned Subsidiary and Controlled Entity relating to our operations. In addition, we have in the past also entered into transactions with other related parties. For further details, please see the section titled "*Related Party Transactions"* at 107 of this Draft Letter of Offer.

While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations, cash flows and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

29. ***The agreements executed by our Company and our Wholly Owned Subsidiary, Sarovar Insurance Private Limited and our Controlled Entity M/s Saideep Polytherm with lenders for financial arrangements contain restrictive covenants for certain activities and if we or our Wholly Owned Subsidiary / Controlled Entity is unable to get their approval, it might restrict our scope of activities and impede our growth plans.***

We and our Wholly Owned Subsidiary and Controlled Entity have entered into agreements for our borrowings with certain lenders. These borrowings include secured fund based and non-fund based facilities. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations such as change in capital structure, formulation of any scheme of amalgamation or reconstruction, declaring dividends, further expansion of business, granting loans to directors, repaying unsecured loans/inter corporate deposits availed from Promoters and third parties, undertake guarantee obligations on behalf of any other borrower including subsidiaries, which require our Company , Wholly Owned Subsidiary and our Controlled Entity to obtain prior approval of the lenders for any of the above activities. We cannot assure you that our lenders will provide us or our Wholly Owned Subsidiary and Controlled Entity with these approvals in the future. For details of these restrictive covenants, please refer to chapter titled — "*Financial Indebtedness*" on page 141 of this Draft Letter of Offer.

Further, some of the financing arrangements include covenants which mandate us and our Wholly Owned Subsidiary and Controlled Entity to maintain total outside liabilities and total net worth up to a certain limit and certain other liquidity ratios. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such financing agreements becoming due and payable immediately. This might have an adverse effect on our cash flows, business, results of operations, cash flows and financial condition. For details of the events of default and the actions which can be taken by the banks on occurrence of such events, please refer to "*Events of Default*" and "*Consequences of default*" in the chapter titled "*Financial Indebtedness*" on page 141 of this Draft Letter of Offer.

30. ***In addition to the existing indebtedness our Company or our Wholly Owned Subsidiary or our Controlled Entity, may incur further indebtedness during the course of business. We cannot assure that our Company our Wholly Owned Subsidiary or our controlled entity would be able to service the existing and/ or additional indebtedness.***

As on March 31, 2021 the total fund based indebtedness of our Company is ₹ 2,755.50 lakhs and that of our Wholly Owned Subsidiary and our Controlled Entity is ₹ 207.90 lakhs and ₹ 576.80 lakhs respectively. In addition to the indebtedness for the existing operations of our Company, our Wholly Owned Subsidiary or our Controlled Entity may incur further indebtedness during the course of their business. We cannot assure you that our Company, our Wholly Owned Subsidiary or our Controlled Entity will be able to obtain further loans at favourable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to borrow at competitive rates. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

Any failure to service the indebtedness of our Company, our Wholly Owned Subsidiary or our Controlled Entity or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, our Wholly Owned Subsidiary or our Controlled Entity, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, cash flows, financial condition and results of operations. For details of our indebtedness, please refer to the chapter titled — "*Financial Indebtedness*" on page 141 of this Draft Letter of Offer.

31. Our Company has accepted deposits from the members of the Company.

As of March 31, 2021, our Company had outstanding deposits taken from the members of the Company amounting to ₹ 278.71 lakhs. These deposits are interest bearing deposits and have a fixed term for repayment. Our Company has never defaulted on the repayment of deposits accepted from the public or in the payment of interest thereon. However, we cannot assure that our Company will not default in repayment of the deposits in the future or payment of the interest on such deposits in the future.

32. Our future fund requirements, in the form of further issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

33. Our success largely depends upon the knowledge and experience of our Promoters, Directors and our Key Managerial Personnel. Loss of any of our Directors and key managerial personnel or our ability to attract and retain them could adversely affect our business, operations and financial condition.

The growth and success of our Company's future significantly depends upon the experience and continued services and the management skills of our Key Managerial Personnel and the guidance of our Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. We believe the expertise, experience and continued efforts of our Key Managerial Personnel and their inputs are valuable to for the operations of our Company. Our future success and growth depend largely on our ability to attract, motivate and retain the continued service of our highly skilled management personnel. Our Company has never been faced with a challenge of high rate of attrition of our Key Management Personnel in the past, however, any attrition of our experienced Key Managerial Personnel, would adversely impact our growth strategy. We cannot assure you that we will be successful in recruiting and retaining a sufficient number of personnel with the requisite skills to replace those Key Managerial Personnel who leave.In the event we are unable to motivate and retain our key managerial personnel and thereby lose the services of our highly skilled Key Managerial Personnel may adversely affect the operations, cash flows, financial condition and profitability of our Company and thereby hampering and adversely affecting our ability to expand our business. For further details on our Directors and Key Managerial Personnel, please refer to the chapter titled — "*Our Management*" on page 95 of this Draft Letter of Offer.

34. Non-compliance with and changes in, safety, health, labour and environmental laws and other applicable regulations, may adversely affect our business, results of operations and financial condition.

Our Company is engaged in the business of manufacturing EPoS and PUF thermal insulation products, packaging products and pre-fabricated metal sheet and EPoS core buildings and panels which makes it mandatory for us to comply with extensive laws and government regulations, including in relation to safety, health and environmental protection.. We cannot assure you that there will not arise a situation wherein we shall not be able to effectively treat the industrial waste, thereby failing to comply with the necessary procedures and requirements laid down under the applicable environmental laws. On the occurrence of any of the above events, we could face regulatory action which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities. There can be instances in the future, where our Company may be forced to halt our business operations in our manufacturing units on receiving adverse orders from state pollution control boards. We cannot assure you that there will not be any instances in the future wherein our Company will not be forced to halt the operations in its manufacturing units due to not complying with the applicable laws and such events will not cause loss of revenue and have an adverse impact on our business operations.

India has stringent labour legislations which protect the interest of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution, working conditions, hiring and termination of employees, contract labour and work permits and maintenance of regulatory and statutory records and making periodic payments, minimum wages and maximum working hours, overtime, working conditions, etc. In the event the welfare requirements under the labour legislations applicable to us are changed, it might adversely impact our cash flows and financial condition. We cannot assure that there will not arise a situation where we have not complied with all the requirements under the labour legislations applicable to us.

Our Company is also subject to safety, health and environment laws and regulations such as the Environment (Protection) Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981. These laws and regulations impose controls on our Company's safety standards, and other aspects of its operations. Our Company has incurred and expects to continue to incur, operating costs to comply with such laws and regulations. In addition, our Company has made and expects to continue to make capital expenditures on an on-going basis to comply with the safety and health laws and regulations. Our Company may be liable to the Central and State governmental bodies with respect to its failures to comply with applicable laws and regulations. Further, the adoption of new safety and health laws and regulations, new interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that our Company make additional capital expenditures or incur additional operating expenses in order to maintain its current operations or take other actions that could adversely affect its financial condition, results of operations and cash flow. Safety, health and environmental laws and regulations in India and all around the world, in particular, have been increasing in stringency and it is possible that they will become significantly more stringent in the future. The costs of complying with these requirements could be significant and may have an impact on our financial condition. Therefore, if there is any failure by us to comply with the terms of the laws and regulations governing our operations we may be involved in litigation or other proceedings, or be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations.

35. ***Our operations can be adversely affected in case of industrial accidents at our manufacturing unit. Any fire or mishap or accidents of such nature at the Company's facilities could lead to accident claims and damage and loss of property, inventory, raw materials, etc. Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.***

Our manufacturing process requires the use of machines, which makes the labour employed at our manufacturing unit prone to accidents that occur during the course of our operations resulting in personal injuries causing permanent disability or even death. Further, the key raw material used by us for manufacturing our products is expandable polystyrene. Due to its combustible nature of expandable polystyrene and the semi-finished or finished EPoS and PUF products manufactured by us, we may be exposed to fires or other industrial accidents and every stage from procurement, processing, storage and transportation to trading is fraught with an imminent risk of loss by fire. With the use of chemicals, boilers, large volume of air for material handling, etc. the risk of fire hazard increases exponentially. The stocks of finished goods, raw materials, godowns and the main manufacturing area are more prone to such accidents, which could cause substantial loss to our machinery, thus hampering our business operations. If there occurs an accident or mishap due to fire, it could adversely affect our results of operations and financial position.

We have obtained certain insurance policies such as standard fire and special perils policy, marine cargo open policy, group personal accident insurance policy, personal accident insurance (group) policy etc. The standard fire and special perils policy insures *inter alia* our raw materials that is, stock of expandable polystyrene, specialized chemicals for manufacturing PUF, machinery, spares, electrical installations, office equipment, computers and accessories, lab equipment, building, plant and machinery, stock, stock in process, finished goods, semi-finished, interior decorations, consumables, chemicals, high speed diesel, packing materials, etc. The marine cargo open policies cover the risks associated with the transit of raw-materials, finished goods, stores and consumables to and from the manufacturing units. The group personal accident insurance policy, personal accident insurance (group) policy insure our employees and workers. Although, we have taken appropriate insurance cover, there can be no assurance that our insurance policies will be adequate to cover the losses which we may incur due to the occurrence of an accident or a mishap.

There are many events that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. We have adopted adequate safety measures; however, we cannot assure you that, in the future no such cases will be instituted against our Company, alleging that we were negligent or we did not provide adequate supervision therefore, holding us liable for injuries that were suffered during the manufacture of our products. In the event any such accidents take place in the manufacturing unit of our Company, we may get involved in litigation or other proceedings, or be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it may adversely affect our results of operations and financial position.

36. Our Company is subject to foreign exchange control regulations which can pose a risk of currency fluctuations.

Our Company is involved in various business transactions with international clients and has to conduct the same in accordance with the rules and regulations prescribed under FEMA. Due to non-receipt of such payments in a timely manner, our Company may fail to adhere to the prescribed timelines and may be required to pay penalty to the appropriate authority or department to regularize the payment. Similarly, due to our sacrosanct reliance on our primary raw material being cotton we are exposed to a risk of increase in costs of raw materials due to the currency fluctuations. Further, our international operations (export sales) make us susceptible to the risk of currency fluctuations, which may directly affect our operating results. In case we are unable to adhere to the timelines prescribed under the applicable laws or are unable to mitigate the risk of currency fluctuation, it may adversely affect our business, results of operations, financial conditions and cash flows.

37. Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Our business is working capital intensive and we are required to obtain consents from certain of our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Although our Company has declared dividends in the past, however there can be no assurance that our Company will declare dividends in the future also. For further details, please refer to the chapter titled "*Dividend Policy*" on page 108, of this Draft Letter of Offer.

38. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds.

Our Company proposes to utilize the Net Proceeds for repayment of identified unsecured loans and general corporate purposes. Our proposed deployment of Net Proceeds has not been appraised by a public financial institution or a scheduled commercial bank and is based on management estimates. Our management will have broad discretion to use the Net Proceeds. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. We cannot assure you that use of the Net Proceeds to meet our future capital requirements, fund our growth and for other purposes identified by our management would result in actual growth of our business, increased profitability or an increase in the value of our business.

39. The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled "Objects of the Issue".

As the Issue size is not more than ₹10,000 lakhs, under Regulation 82 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the

Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same. For further details, please refer to the chapter titled — "*Objects of the Issue*" on page 64 of this Draft Letter of Offer.

40. ***We have not commissioned an industry report for the disclosures made in the chapter titled "Industry Overview" and made disclosures on the basis of the data available on the internet and such third party data has not been independently verified by us.***

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled "*Industry Overview*" of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such third party- data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

ISSUE SPECIFIC RISKS

41. ***We will not distribute the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter to overseas Shareholders who have not provided an address in India for service of documents.***

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars our Company will send, only through email, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares permitted under laws of such jurisdictions and in each case who make a request in this regard. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

42. ***SEBI has recently, by way of circulars dated January 22, 2020 and May 6, 2020, July 24, 2020, January 19, 2021, April 22, 2021 and October 1, 2021 streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars, and in this Draft Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020 and May 6, 2020, July 24, 2020, January 19, 2021, April 22, 2021 and October 1, 2021 and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see "*Terms of the Issue*" on page 165.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "**BEARDSELL LIMITED RIGHTS ISSUE – SUSPENSE ESCROW DEMAT ACCOUNT**") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

43. The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021, a separate web based application platform, i.e., the R-WAP facility (accessible at https://rights.cameoindia.com/Aruna), has been instituted for making an Application in this Issue by Resident Individual Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. On R-WAP, the Resident Individual Investors can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, see "*Terms of the Issue – Procedure for Application through the R-WAP*" on page 176. Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology in the payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policy effectively to such payment mechanisms;
- keeping users' data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Further, R-WAP is a new facility which has been instituted due to challenges arising out of COVID-19 pandemic. We cannot assure you that R-WAP facility will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the RWAP facility.

44. The entitlement of Rights Equity Shares to be allotted to investors applying for Allotment in physical form, will be kept in abeyance.

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form will not be available after a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., May 10, 2019. Since, the Rights Equity Shares offered pursuant to this Issue will be Allotted only after May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar. Pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

45. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholder") may lapse in case they fail to furnish the details of their demat account to the Registrar.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020 and May

6, 2020, read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see "*Terms of the Issue*" on page 165. In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

46. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see "*Terms of the Issue*" on page 165.

47. Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

48. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

49. You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

50. ***Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.***

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

51. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

52. ***Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any instance of disinvestments of equity shares by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

53. ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

EXTERNAL RISK FACTORS

54. ***The outbreak of Novel Coronavirus, or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition and results of operations.***

The outbreak, or threatened outbreak, of any severe epidemic caused due to viruses (particularly the Novel Coronavirus) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our customers and suppliers, which could adversely affect our business, financial condition and results of operations. The outbreak of Novel Coronavirus has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. There is currently substantial medical uncertainty regarding Novel Coronavirus and no government-certified treatment or vaccine is available. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of Novel Coronavirus remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of our employees were suspected of contracting Novel Coronavirus or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of Novel Coronavirus will cause an economic slowdown and it is possible that it could cause a global recession. The spread of Novel Coronavirus has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed.

The extent to which the Novel Coronavirus further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. We are still assessing our business operations and system supports and the impact Novel Coronavirus may have on our results and financial condition, but there can be no assurance that this analysis will enable us to avoid part or all of any impact from the spread of Novel Coronavirus or its consequences, including downturns in business sentiment generally or in our sector in particular. The degree to which Novel Coronavirus impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people.

Further due to the rising number of infected cases of COVID-19 in the country and the onset of the second wave of the virus, various State Governments including Government of Tamil Nadu have imposed a complete lockdown. There is no certainty if additional restrictions will be imposed or if the lockdown would be extended to combat with the second wave and prevent the third wave of COVID-19 in the country. In the events additional restrictions are imposed, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company.

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, has used internal and external information which are relevant in determining the expected future performance of the Group. We cannot assure that the information used to determine the future performance and the impact of COVID-19 on our business, results of operations, cash flows and financial condition will give accurate results as it is based on assumptions and estimated. However, the impact of COVID-19 on the Group's Restated Consolidated Summary Statements may differ from that estimated in the historical audited financial statements.

55. Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition.

Our restated consolidated summary statements of assets and liabilities as at March 31, 202, March 31, 2020 and March 31, 2019 and restated consolidated summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Fiscals 2021, 2020 and 2019 have been prepared in accordance with the relevant provisions of the SEBI ICDR Regulations ,as amended from time to time in pursuance of the SEBI Act, 1992 and the Guidance Note on Report in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Draft Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Restated Consolidated Summary Statements and Interim Condensed Consolidated Financial Statements included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

56. Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, cash flows, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products or services may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

57. A slowdown in economic growth in India could cause our business to suffer.

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- variations in exchange rates;
- changes in India's tax, trade, fiscal or monetary policies;

- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

58. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("**ICDS**"), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS had altered the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- the General Anti Avoidance Rules ("**GAAR**") have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. The GAAR provisions may have an adverse tax impact on us.
- a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

59. *Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.*

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

These could include further falls in Stock Exchange indices and greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets. There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

60. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

61. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

62. Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

63. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. The Government has enacted the GAAR which have come into effect from April 1, 2017.

The Government of India announced the union budget for Fiscal 2021 and the Ministry of Finance had notified the Finance Act, 2021 ("**Finance Act**") on March 28, 2021.The Finance Act has been promulgated into effect from July 1, 2021. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have a material adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has, in a decision clarified the components of basic wages, which need to be considered by companies while making provident fund payments. Our Company has not made relevant provisions for the same, as on date. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Further, a draft of the Personal Data Protection Bill, 2019 ("**Bill**") has been introduced before the Lok Sabha on December 11, 2019, which is currently being referred to a joint parliamentary committee by the Parliament. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

64. ***The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

65. ***We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.***

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are listed on BSE and NSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India’s various neighboring countries;
- hostile or war like situations with the neighboring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- volatility in, and actual or perceived trends in trading activity on, India’s principal stock exchanges;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India’s sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.
- Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares. For example, our manufacturing facilities are located in western India, hence any significant disruption, including due to social, political or economic factors or natural calamities or civil disruptions, impacting this region may adversely affect our operations.

66. ***Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors’ reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The recent outbreak of Novel Coronavirus has significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders’ equity and the price of our Equity Shares.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on May 7, 2021 pursuant to Section 62(1)(a) of the Companies Act. The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled "*Terms of the Issue*" on page 165 of this Draft Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	Upto 93,66,336 Equity Shares
Rights Entitlement	1 Rights Equity Shares for every 3 Equity Shares of the Company
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Record Date	[●]
Face value per Equity Shares	₹ 2/-
Issue Price per Rights Equity Shares	₹ [●]/-
Issue Size	Upto 93,66,336 Equity Shares of face value of ₹ 2 each for cash at a price of ₹ [●] (Including a premium of ₹ [●]) per Rights Equity Share not exceeding an amount of ₹ [●] lakhs.
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank *pari passu* in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and paid up prior to the Issue	2,80,99,008 Equity Shares
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	Upto 3,74,65,344 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	3,74,65,344
Money payable at the time of Application	₹ [●]
Scrip Details	**ISIN:** INE520H01022 **BSE:** 539447 **NSE:** BEARDSELL
Use of Issue Proceeds	For details please refer to the chapter titled "*Objects of the Issue*" on page 64 of this Draft Letter of Offer.
Terms of the Issue	For details please refer to the chapter titled "*Terms of the Issue*" on page 165 of this Draft Letter of Offer.

Please refer to the chapter titled "*Terms of the Issue*" on page 165 of this Draft Letter of Offer.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights	[●]
Issue Closing Date*	[●]

**The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

GENERAL INFORMATION

Our Company was incorporated as '*Mettur Industries Limited*' on November 23, 1936 as a public limited company under the Companies Act, 1913 with the Registrar of Joint Stock Companies, Tamil Nadu, Madras. The name of our Company was changed to "*Mettur Beardsell Limited* and a fresh certificate of incorporation dated November 10, 1969 consequent to such name change was issued to our Company by the Asst. Registrar of Companies, Tamil Nadu, Madras. The name of our Company was changed to "*Beardsell Limited* and a fresh certificate of incorporation dated October 1, 1983 consequent to such name change was issued to our Company by the Asst. Registrar of Companies, Tamil Nadu, Madras. The corporate identification number of our Company is L65991TN1936PLC001428.

Registered Office of our Company

Beardsell Limited
47, Greams Road, Chennai, Tamil Nadu, 600006
Telephone: +91 44 2829 3296/28290900
Facsimile: +91 44-28290391
E-mail: km@beardsell.co.in
Website: www.beardsell.co.in
CIN: L65991TN1936PLC001428

Our Company does not have a corporate office.

Registrar of Companies

Our Company is registered with the Registrar of Companies, Tamil Nadu, Chennai situated at the following address:

Registrar of Companies,
Block No.6, B Wing 2nd Floor,
Shastri Bhawan 26, Haddows Road,
Chennai - 600034, Tamilnadu
Telephone: 044-28270071
Facsimile: 044-28234298

Board of Directors of our Company

Set forth below are the details of our Board of Directors as on the date of this Draft Letter of Offer:

Name	Age	Designation	Address	DIN
Mr. Amrith Anumolu	44	Executive Director	H. No.12, Park View Enclave, Road No.2, Banjara Hills, Hyderabad - 500 034	03044661
Mrs. Jayasree Anumolu	67	Non-Executive Director	H. No.14, Park View Enclave, Road No.2, Banjara Hills, Hyderabad - 500 034	00845666
Mr. Ramaswamy Gowrishanker	65	Chairman; Non-Executive Director	4/241 M G R Salai, Palavakkam Chennai - 600 041	00104597
Velu Jeyapaul Singh	69	Non-Executive Director	1/4, Teppakula Street, Subramaniapuram, Palayamkottai, Thirunelveli - 627 002	03129164
Mr. Rammohan Anappathur Vanchi	69	Independent Director	D-2 Ceebros Aprts, 161, St. Mary's Road Raintree Hotel, Teynampet, Chennai – 600 018	02093767
Mr. Gurram Jagannatha Reddy	65	Independent Director	House No.22, Old No.26, Anderson Road, Chennai - 600 006	07472109

For detailed profile of our Directors, please refer to the chapter titled "*Our Management*" on page 95 of this Draft Letter of Offer.

Chief Financial Officer

Sridharan Varadhan Vinjamoore, is the Chief Financial Officer of our Company. His contact details are set forth hereunder.

47, Greams Road, Chennai, Tamil Nadu, 600006
Telephone: +91 44 2829 3296/28290900
Facsimile: +91 44-28290391
E-mail: sridharan@beardsell.co.in

Company Secretary and Compliance Officer

Krishnamurthy Murali, Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder.

47, Greams Road, Chennai, Tamil Nadu, 600006
Telephone: +91 44 2829 3296/28290900
Facsimile: +91 44-28290391
E-mail: km@beardsell.co.in

Details of Key Intermediaries pertaining to this Issue of our Company:

Lead Manager to the Issue

Saffron Capital Advisors Private Limited
605, Center Point, 6th floor,
Andheri Kurla Road, J. B. Nagar,
Andheri (East), Mumbai - 400 059,
Maharashtra, India.
Telephone: +91 22 4082 0914/915
Facsimile: +91 22 4082 0999
E-mail: rights.issue@saffronadvisor.com
Website: www.saffronadvisor.com
Investor grievance: investorgrievance@saffronadvisor.com
Contact Person: Amit Wagle / Gaurav Khandelwal
SEBI Registration Number: INM000011211

Registrar to the Issue

Cameo Corporate Services Limited
Subramanian Building,
No. 01, Club House Road,
Chennai- 600 002,
Tamil Nadu, India.
Telephone: +91044 4002 0700/ 0710/ 2846 0390
E-mail: priya@cameoindia.com
Website: www.cameoindia.com
Investor Grievance e-mail: investor@cameoindia.com
Contact Person: Sreepriya K.
SEBI Registration No.: INR000003753

Legal Advisor to the Issue

M/s. Crawford Bayley & Co.
4th Floor, State Bank Buildings,
N.G.N. Vaidya Marg, Fort,
Mumbai - 400 023,
Maharashtra, India
Telephone: +91 22 2266 3353
Facsimile: +91 22 2266 3978

Email: sanjay.asher@crawfordbayley.com
Contact Person: Sanjay Asher

Statutory and Peer Review Auditor of our Company

S. R. Batliboi & Associates, LLP
6th floor – "A" Block, Tidel Park
No. 4, Rajiv Gandhi Salai,
Taramani, Chennai – 600 113
Email: srba@srb.in
Telephone: + 91 (44) 61179000
Firm registration number: 101049W/E300004
Peer review number: 013325

Bankers to the Issue/ Refund Bank

The Banker to the Issue/ the Refund Bank shall be appointed prior to filing of the Letter of Offer.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Inter-se Allocation of Responsibilities

Saffron Capital Advisors Private Limited being the sole Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence a statement of inter se allocation of responsibilities is not required.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated October 25, 2021 from S.R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under the SEBI ICDR Regulations in this Draft Letter of Offer and as an "expert" as defined under Section 2(38) of the Companies Act 2013 to the extent and in their capacity as Statutory Auditors and in respect of their (i) examination report dated October 25, 2021 on our Restated Consolidated Summary Statements for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019; (ii) review report dated October 25, 2021 on our Unaudited Interim Condensed Consolidated Financial Statements for the three months period ended ended June 30, 2021 and (iii) their report dated October 25, 2021 on the Statement of special tax benefits available to the Company and its shareholders under the applicable tax laws in India in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Investor grievances

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre- Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process or R-WAP.

Credit Rating

As this is an Issue of Equity Shares, credit rating is not required.

Debenture Trustees

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

Monitoring Agency

As the net proceeds of the Issue shall not exceed ₹10,000 lakhs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold for filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with BSE Limited and National Stock Exchange of India Limited and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

Changes in Auditors during the last three years

There has not been any change in the Statutory Auditor of our Company in last three years.

Underwriting Agreement

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	**Indicative Date**
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights	[●]
Issue Closing Date*	[●]

**The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

Minimum Subscription

The objects of the Issue involve financing other than financing of capital expenditure for a project and our Promoters and members of our Promoter Group have undertaken to (i) subscribe to the full extent of their respective Rights Entitlements, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR; and (ii) have also confirmed that they shall not renounce their Rights Entitlements, except to the extent of renunciation within the promoter group. Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Letter of Offer and after giving effect to the Issue is set forth below:

S. No.	Particulars	Amount (in ₹ Lakhs, except share data)	
		Aggregate value at nominal value	**Aggregate value at Issue Price**
A.	**Authorised Share Capital**		
	5,00,00,000 Equity Shares of face value of ₹ 2 each	1,000	
B.	**Issued, Subscribed and Paid-Up Share Capital before the Issue**		
	2,80,99,008 Equity Shares of face value of ₹ 2 each	561.98	
C.	**Present Issue in terms of this Draft Letter of Offer**		
	Up to 93,66,336 Equity Shares of face value of ₹ 2 each	187.33	[●]
D.	**Issued, Subscribed and Paid-Up Share Capital after the Issue**		
	3,74,65,344 Equity Shares of face value of ₹ 2 each	749.31	
E.	**Securities Premium Account**		
	Before the Issue	555.65	
	After the Issue		[●]

(1)*The present Issue has been authorised vide a resolution passed at the meeting of the Board of Directors dated May 7, 2021*

NOTES TO CAPITAL STRUCTURE

1. **Intention and extent of participation by our Promoters and Promoter Group in the Issue:**

   Our Promoters and the Promoter Group have, *vide* letter of our Promoter Jayasree Anumolu (issued by her on behalf of the Promoters and the Promoter Group) dated October 25, 2021 (the "**Subscription Letter**"), undertaken to: (a) subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoters or member(s) of the Promoter Group of our Company; and (b) subscribe to, either individually or jointly and/ or severally with any other Promoters or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue.

   Further, Jayasree Anumolu has *vide* her letter dated October 25, 2021, also confirmed that an amount of ₹ 375 lakhs, which has been identified as the part of the unsecured loans which have to be repaid to her through this Issue, shall be adjusted towards the application money to be received by the Company, for the subscription to the Rights Equity Shares to be allotted in this Issue, from her, to the extent of her Rights Entitlement, renunciation of Rights Entitlement made in her favour by the members of Promoter Group (if any) as well as Additional Rights Equity Shares to be applied for by her for the unsubscribed portion, (in part or full, as the case may be) in the Issue.

   Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations.

   The additional subscription by the promoters shall be made subject to such additional subscription not resulting in the minimum public shareholding of the issuer falling below the level prescribed in Regulation 38 of LODR/ SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

2. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is ₹ [●]/- per equity share.

3. No convertible instruments or options have been issued or allotted by our Company which are outstanding as on date of this Draft Letter of Offer.

4. Shareholding Pattern of our Company as per the last filing with the Stock Exchanges:

(i) The summary statement of the shareholding pattern of our Company as on June 30, 2021 is as follows:

The table below represents the summary statement of the shareholding pattern of our Company as on June 30, 2021:

Category (I)	**Category of Shareholder (II)**	**No. of Shareholders (III)**	**No. of fully paid-up Equity Shares held (IV)**	**No. of Partly paid-up Equity Shares held (V)**	**No. of shares underlying depository receipts (VI)**	**Total No. of shares held (VII) = (IV)+(V)+ (++VI)**	**Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)**	**Number of Voting Rights held in each class of securities (IX)**			**No. of Shares underlying outstanding convertible securities (including warrants)**	**Shareholding as a % assuming full conversion of convertible securities No. (a)**	**No. of locked-in Equity Shares (XII)**		**Number of Equity Shares pledged or otherwise encumbered (XIII)**		**No. of Equity Shares held in dematerialized form (XIV)**
								Class (Equity)	**Total**	**Total as a % of (A+B+C)**			**No. (a)**	**As a % of total shares held (b)**	**No. (a)**	**As a % of total shares held (b)**	
(A)	Promoter and Promoter Group	5	1,72,31,977	-	-	1,72,31,977	61.33	1,72,31,977	1,72,31,977	61.33	-	-	-	-	-	-	1,72,31,977
(B)	Public	5,933	1,08,67,031	-	-	1,08,67,031	38.67	1,08,67,031	1,08,67,031	38.67	-	-	-	-	-	-	84,11,413
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		**5938**	**2,80,99,008**	**-**	**-**	**2,80,99,008**	**100**	**2,80,99,008**	**2,80,99,008**	**100**	**-**	**-**	**-**	**-**	**-**	**-**	**2,56,43,390**

(ii) The statement of the shareholding pattern of our Company as on June 30, 2021 is as follows:

Category of Shareholder	Nos. of Shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a% of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Equity Shares held in dematerialized form
(A) Promoter & Promoter Group	5	1,72,31,977	1,72,31,977	61.33	1,72,31,977	61.33	1,72,31,977
(B) Public	5933	1,08,67,031	1,08,67,031	38.67	1,08,67,031	38.67	84,11,413
Grand Total	**5,938**	**2,80,99,008**	**2,80,99,008**	**100**	**2,80,99,008**	**100**	**2,56,43,390**

(iii) Statement showing holding securities of persons belonging to the category "Promoters and Promoter Group" as at June 30, 2021:

Category of Shareholder	Nos. of Shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a% of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Equity Shares held in dematerialized form
A1) Indian							
a. Individuals/ Hindu undivided family	3	1,28,92,908	1,28,92,908	45.88	1,28,92,908	45.88	1,28,92,908
JAYASREE ANUMOLU		90,91,614	90,91,614	32.36	90,91,614	32.36	90,91,614
BHARAT ANUMOLU		38,00,694	38,00,694	13.53	38,00,694	13.53	38,00,694
LALITHAMBA PANDA		600	600	0	600	0	600
b. Body corporates	2	43,39,069	43,39,069	15.44	43,39,069	15.44	43,39,069
GUNNAM SUBBA RAO INSULATION PRIVATE LIMITED		33,28,320	33,28,320	11.84	33,28,320	11.84	33,28,320
VILLASINI REAL ESTATE PRIVATE LIMITED		10,10,749	10,10,749	3.60	10,10,749	3.60	10,10,749
Sub- total of A1	5	1,72,31,977	1,72,31,977	61.33	1,72,31,977	61.33	1,72,31,977
A2) Foreign							
Sub-total of A2							
A= A1+ A2	**5**	**1,72,31,977**	**1,72,31,977**	**61.33**	**1,72,31,977**	**61.33**	**1,72,31,977**

(iv) *Statement showing holding of securities of persons belonging to the "Public" category as on June 30, 2021*:

Category of Shareholder	Nos. of Shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a% of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Equity Shares held in dematerialized form
B1) Institutions	6	24,240	24,240	0.09	24,240	0.09	-
B2) Central Government/ State Government(s)/ President of India							
Central Government/ State Government(s)/ President of India	1	1,08,000	1,08,000	0.38	1,08,000	0.38	-
Sub Total B2	1	1,08,000	1,08,000	0.38	1,08,000	0.38	-
B3) Non-Institutions							
Individual share capital upto Rs. 2 Lacs	5674	50,90,273	50,90,273	18.12	50,90,273	18.12	33,31,645
Individual share capital in excess of Rs. 2 Lacs	12	45,38,646	45,38,646	16.15	45,38,646	16.15	45,38,646
MAHENDRA GIRDHARILAL	1	8,31,745	8,31,745	2.96	8,31,745	2.96	8,31,745
VINODCHANDRA MANSUKHLAL PAREKH	1	1,30,0345	1,30,0345	4.63	1,30,0345	4.63	13,00,345
SUNITHA VEMULAPALLI	1	6,37,350	6,37,350	2.27	6,37,350	2.27	6,37,350
ANUMOLU SUBBA RAO	1	3,00,000	3,00,000	1.07	3,00,000	1.07	3,00,000
Any Other	240	11,05,872	11,05,872	3.94	11,05,872	3.94	5,41,122
IEPF	-	-	-	--	-	-	-
Trusts	-	-	-	--	-	-	-
HUF	130	384556	384556	1.37	384556	1.37	3,84,514
Non-Resident Indian (NRI)	47	64912	64,912	0.23	64,912	0.23	35,872
Clearing Members	21	12785	12785	0.05	12785	0.05	12,785
Bodies Corporate	42	643619	643619	2.29	643619	2.29	1,07,951
HYDERABAD EPS PRODUCTS PVT.LTD.	1	300000	300000	1.07	300000	1.07	-
Sub-total B3	**5926**	**10734791**	**1,07,34,791**	**38.20**	**1,07,34,791**	**38.20**	**84,11,413**
B= B1+B2+B3	**5933**	**1,08,67,031**	**1,08,67,031**	**100**	**1,08,67,031**	**38.67**	**84,11,413**

(v) Details of shareholders of our Company holding 1% or more of the paid-up capital of the issuer as last disclosed to the stock exchanges:

Sr. No.	Name of the Shareholders	No. of Equity Shares	% of Pre-Issue Equity Share Capital
1.	JAYASREE ANUMOLU	90,91,614	32.36
2.	BHARAT ANUMOLU	38,00,694	13.53
3.	GUNNAM SUBBA RAO INSULATION PRIVATE LIMITED	33,28,320	11.84
4.	VILLASINI REAL ESTATE PRIVATE LIMITED	10,10,749	3.60
5.	VINODCHANDRA MANSUKHLAL PAREKH	13,00,345	4.63
6.	MAHENDRA GIRDHARILAL	8,31,745	2.96
7.	SUNITHA VEMULAPALLI	6,37,350	2.27
8.	ANUMOLU SUBBA RAO	3,00,000	1.07
9.	HYDERABAD EPS PRODUCTS PRIVATE LIMITED	3,00,000	1.07
	Total	**2,06,00,817**	**73.33**

(vi) Details of shares locked-in, pledged, encumbrance by promoters and promoter group:

As on date of this Draft Letter of Offer, none of the Equity Shares held by our Promoters or the members of our Promoter Group are locked-in, pledged or otherwise encumbered.

OBJECTS OF THE ISSUE

The objects of the Issue are:

1. Part repayment/ Pre-payment of Inter-Corporate Deposits availed by our Company from lenders;
2. Part repayment/ Pre-payment of certain unsecured loans availed from our Promoter Jayasree Anumolu; and
3. General Corporate Purposes.

(collectively, referred to hereinafter as the "**Objects**")

We intend to utilize the gross proceeds raised through the Issue (the "**Issue Proceeds**") after deducting the Issue related expenses ("**Net Proceeds**") for the abovementioned Objects.

The objects set out in the Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through the Issue and the activities for which the borrowings proposed to be prepaid in full or part from the Net Proceeds.

Details of objects of the Issue

The details of objects of the Issue are set forth in the following table:

(₹ in lakhs)

Particulars	Amount
Gross Proceeds from the Issue	[●]
Less: Issue related expenses	[●]
Net Proceeds from the Issue	[●]

Requirement of Funds

The details of the Net Proceeds are set forth in the following table:

(₹ in lakhs)

Particulars	Amount
Part repayment or prepayment of Inter-Corporate Deposits availed by our Company from lenders	245
Part repayment/ Pre-payment of certain unsecured loans availed from our Promoter Jayasree Anumolu	375
General Corporate Purposes	[●]
Issue related expenses	[●]
Gross proceeds from the Issue	[●]

Means of Finance

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Utilization of Net Proceeds

Our Company intends to utilize the Net Proceeds for the following objects:

(₹ in lakhs)

Sr. No.	Particulars	Estimated Amount to be Utilised
1.	Part repayment or prepayment of Inter-Corporate Deposits availed by our Company from lenders	245
2.	Part repayment/ Pre-payment of certain unsecured loans availed from our Promoter Jayasree Anumolu	375
3.	General Corporate Purposes	[●]
	TOTAL	[●]

**To be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with the Stock Exchanges.*

Schedule of Implementation and Deployment of Funds

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during Fiscal 2021-22.

The funds deployment described herein is based on management estimates and current circumstances of our business and operations. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the funds requirements described herein.

Details of the Objects of the Issue

1. ***Part repayment or prepayment of Inter-Corporate Deposits ("ICDs") availed by our Company from lenders***

Our Company has availed ICDs from Trigeo Technologies Private Limited and Wellwin Water Proofings Private Limited. Our Company intends to utilize ₹ 245 lakhs of the Net Proceeds towards part repayment of these ICDs. There are no prepayment penalties for prepayment of such ICDs. The following table provides details along with the terms on which the ICDs have been availed by our Company, as on March 31, 2021, which are proposed to be repaid from the Net Proceeds:-

No.	Name of the Entity	Amount of ICDs availed	Outstanding principal amount of ICDs as on March 31, 2021 (in Rs. lakhs)	Purpose of availing ICDs	Interest rate (%) p.a.	Proposed repayment or prepayment from Net Proceeds (₹ in lakhs)
1.	Trigeo Technologies Private Limited	500	400	To meet working capital requirements and general corporate purposes	11%	223
2.	Wellwin Water Proofings Private Limited	42	22	To meet working capital requirements and general corporate purposes	11%	22
3.	**Total**	**542**	**422**			**245**

In accordance with Clause 9(A)(2)(b) of Part B-1 of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purposed availed, the Company has obtained the requisite certificate.

Given the nature of these borrowing facilities and the terms of part repayment, the aggregate outstanding ICDs amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements to avail ICDs. In such cases or in case any of the above ICDs are paid or further ICDs have been availed prior to the completion of the Issue, we may utilise Net Proceeds of the Issue towards repayment or prepayment of such additional ICDs.

2. ***Repayment/pre-payment, in full or part, of certain identified unsecured loans availed by our Company from our Promoter Jayasree Anumolu***

Our Company proposes to utilize an estimated amount of ₹ 375 lakhs from the Net Proceeds of the Issue towards part repayment/prepayment, in full or in part, of certain identified unsecured loans availed by our Promoter Jayasree Anumolu.

The following table provides details of the relevant terms of the unsecured loans that have been availed by our Company from our Promoter Jayaree Anumolu, out of which we may repay/prepay, in full or in part, any or all of its respective loans/facilities, without any obligation to pay/repay any particular lender in priority to the other:

(₹ in lakhs)

Sr. No.	Name of the Lenders	Amount availed (Rs.)	Principal amount outstanding as on March 31, 2021	Repayment Terms	Purpose of the Loan	Interest rate per annum	Amount proposed to be repaid
1.	Jayasree Anumolu	375	375	Fifteen monthly installments from April 2022	To meet working capital requirements and general corporate purposes	12%	375
Total							**375**

In accordance with Clause 9(A)(2)(b) of Part B-1 of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purposed availed, the Company has obtained the requisite certificate.

Our Company intends to partly or fully repay or pre-pay ₹375 lakhs to our Promoter Jayasree Anumolu through this Issue, as per the details mentioned in the above table, and the said amount is proposed to be adjusted against the application money to be received by our Company, for the subscription to the Rights Equity Shares to be allotted in this Issue, from our Promoter Jayasree Anumolu, to the extent of their entitlement, renunciation of entitlement in favour of the members of Promoter Group (if any) as well as Additional Rights Equity Shares to be applied for our Promoter Jayasree Anumolu (in part or full, as the case may be) in the Issue. Consequently, no fresh Issue proceeds would be received by our Company to such an extent.

Our Promoter and our Promoter Group members have, *vide* letter of our Promoter Jayasree Anumolu (issued by her on behalf of the Promoters and the Promoter Group) dated October 25, 2021, undertaken to: (a) subscribe, jointly and severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group; and (b) subscribe to, either individually or jointly, with the Promoter or member of the Promoter Group, for Additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of Additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempted in terms of Regulation 10(4)(b) of the SEBI Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ [●].

Interest of Promoters and Directors in the objects of the Issue

Jayasree Anumolu has *vide* her letter dated October 25, 2021, also confirmed that an amount of ₹ 375 lakhs, which has been identified as the part of the unsecured loans which have to be repaid to her through this Issue, shall be adjusted towards the application money to be received by the Company, for the subscription to the Rights Equity Shares to be allotted in this Issue, from her, to the extent of her Rights Entitlement, renunciation of Rights Entitlement made in her favour by the members of Promoter Group (if any) as well as Additional Rights Equity Shares to be applied for by her for the unsubscribed portion, (in part or full, as the case may be) in the Issue. Consequently, no fresh Issue proceeds would be received by our Company to such an extent.

Issue related expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses and registrar and depository fees. The estimated Issue related expenses are as follows:

Particulars	Amount* (₹ In Lakhs)	As a percentage of total expenses*	As a percentage of Issue size*#
Fees of the Lead Managers, Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditor's fees, including out of pocket expenses etc.	[●]	[●]	[●]

Particulars	Amount* (₹ In Lakhs)	As a percentage of total expenses*	As a percentage of Issue size*#
Expenses relating to advertising, printing, distribution, marketing and stationery expenses	[●]	[●]	[●]
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[●]	[●]	[●]
Total estimated Issue expenses*^	[●]	[●]	[●]

**Amount will be finalised at the time of filing of the Letter of Offer and determination of Issue Price and other details.*
** Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Rights Equity Shares.*
^Excluding taxes
#Assuming full subscription.

Interim use of funds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors. Our Company confirms that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not use the Net Proceeds for any investment in the equity markets.

Appraisal and Bridge Financing Facilities

Our Company has not raised any bridge loan from any bank or financial institution as on the date of the Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilization of funds

Since the Issue is for an amount not exceeding ₹ 10,000 lakhs, in terms of Regulation 82(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of the Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

As per the requirements of Regulations 18 of the SEBI Listing Regulations, we will disclose to the Audit Committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Auditor.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in the Draft Letter of Offer. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Regulations 33 of the SEBI Listing Regulations and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Regulation 18 of the SEBI Listing Regulations.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoter and Promoter Group, Directors, Key Managerial Personnel of our Company, except for the part of the Net Proceeds that will be utilized towards the repayment/prepayment of certain unsecured loans availed by our Company from the Promoter Group members and payments made in the ordinary course of business, there are no material existing or anticipated transaction.

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO BEARDSELL LIMITED (THE "COMPANY"), AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The Board of Directors,
Beardsell Limited
47, Greams Road,
Chennai – 600006

Dear Sirs,

Re: Statement of Special Tax Benefits available to Beardsell Limited, and its shareholders under the Indian tax laws.

1. We hereby confirm that the enclosed Annexures 1 and 2 (together, the "Annexures"), prepared by the Company, provides the special tax benefits available to the Company and to the shareholders of the Company as stated in those Annexures, under:

   - the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India; and

   - the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union Territory Goods and Services Tax Act, 2017 ("GST Acts"), as amended from time to time, the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2021 applicable for the Financial Year 2021-22, Foreign Trade Policy 2015-20 as extended till 31.03.2022 vide Notification No 33/2015-20 dated 28.09.2021 (unless otherwise specified), presently in force in India.

   The Act, the GST Acts, Customs Act and Tariff Act, as defined above, are collectively referred to as the "Relevant Acts"

2. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Relevant Acts. Hence, the ability of the Company to derive the tax benefits is dependent upon their fulfilling of such conditions which, based on business imperatives the Company face in the future, the Company or its shareholders may or may not choose to fulfil.

3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated in the Annexures is the responsibility of the management of the Company. We are informed that these Annexures are only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed rights issue of equity shares (the "Proposed Rights issue") by the Company. We are neither suggesting nor advising the investors to invest in the rights issue relying on this statement.

4. We do not express any opinion or provide any assurance as to whether:

   i) the Company or its shareholders will continue to obtain these benefits in future;
   ii) the conditions prescribed for availing the benefits have been / would be met with; and
   iii) the revenue authorities/ courts will concur with the views expressed herein.

5. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

6. This Statement is issued solely in connection with the proposed offering of equity shares on rights issue basis of face value Rs 2/- each of the Company and is not to be used, referred to or distributed for any other purpose.

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

Aravind K
Partner
Membership Number: 221268
Place of Signature: Chennai
Date: October 25, 2021

ANNEXURE 1

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO BEARDSELL LIMITED (THE "COMPANY"), AND ITS SHAREHOLDERS UNDER THE INCOME-TAX ACT, 1961

Outlined below are the special tax benefits available to the Company, and its Shareholders under the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India

I. Special tax benefits available to the Company

As per the provisions of section 80JJAA of the Act, a company subject to tax audit under section 44AB of the Act and whose gross total income includes any profit and gains derived from business shall be entitled to claim a deduction of an amount equal to thirty percent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the Act.

II. Special tax benefits available to the Shareholders of the Company

There are no special tax benefits available to the Shareholders of the Company for investing in the shares of the Company.

Notes:

1. This Annexure sets out the only the special tax benefits available to the Company, and its shareholders under under the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India.

2. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

4. As per section 115BAA of the Act, the Company has an option to pay income tax in respect of its total income at a concessional tax rate of 25.168% (including applicable surcharge and cess) subject to satisfaction of certain conditions with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21). The Company has adopted the said tax rate with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21). Such option once exercised shall apply to subsequent assessment years. In such a case, the Company may not be allowed to claim any of the following deductions/exemptions:

    i) Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone.
    ii) Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation).
    iii) Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
    iv) Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
    v) Deduction under section 35AD or section 35CCC (Deduction for specified business agricultural extension project)
    vi) Deduction under section 35CCD (Expenditure on skill development)
    vii) Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M
    viii) No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above.
    ix) No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above

Further, it was clarified by the Central Board of Direct Taxes vide Circular No. 29/ 2019 dated 2 October 2019 that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.

5. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Proposed Rights issue

6. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.

7. No assurance is provided that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For **Beardsell Limited**

Chief Financial Officer

Place: Chennai
Date: October 25, 2021

ANNEXURE 2

TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO BEARDSELL LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

II. Outlined below are the special tax benefits available to the Company under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended from time to time, Foreign Trade Policy 2015-20 ("FTP") as extended till March 31, 2022 vide Notification No. 33/2015-20 dated September 28, 2021 (unless otherwise specified), presently in force in India.

1. Special tax benefits available to the Company:

A. In accordance with Section 54 of the CGST Act 2017, input tax credit paid on inputs and input services used in manufacture of exported goods/ IGST paid at the time of export of goods are eligible for refund, subject to prescribed conditions.

B. Duty drawback of duty paid on import of materials used in manufacture of export goods under Section 75 of the Customs Act.

C. In terms of Notification 50/2017- Customs dated June 30, 2017, (and as amended from time to time) exemption is available from duty of customs (specified in First Schedule to Customs Tariff Act) as is in excess of the amount calculated at the standard rate specified in the Notification and from so much of integrated tax leviable thereon under Section 3(7) of the said Customs Tariff Act, in excess of the rate specified in the Notification, subject to fulfilment of prescribed conditions.

D. Remission of Duties and Taxes on Exported Products (RODTEP) is a scheme under FTP which provides rewards in the form of duty credit scrips (e-scrip). Under the Scheme, a rebate would be granted to eligible exporters at a notified rate as a percentage of FOB value with a value cap per unit of the exported product, wherever required, on export of items which are categorized under the notified 8 digit HS Code. The e-scrips would be used only for payment of duty of Customs leviable under the First Schedule to the Customs Tariff Act, 1975. RODTEP scheme replaces the erstwhile Merchandise Exports from India Scheme (MEIS) and takes effect for exports from 1st January,2021.

2. Special tax benefits available to the Shareholders

There are no special tax benefits available to the shareholders for investing in the shares of the Company.

NOTES:

a. This annexure of special tax benefits is based on the best understanding of Company's business landscape and tax benefits available to the Company and its shareholders under the current tax laws presently in force in India.

b. This annexure is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed rights issue.

c. This annexure does not discuss any tax consequences in the country outside India of an investment in the Shares. The subscribers of the Shares in the country other than India are urged to consult their own professional advisers regarding possible indirect-tax consequences that apply to them.

d. This annexure covers only above-mentioned tax laws benefits and does not cover any income tax law benefits or benefit under any other law.

e. These comments are based upon the provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

f. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For **Beardsell Limited**

Chief Financial Officer

Place: Chennai
Date: October 25, 2021

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the third party information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

INDIAN ECONOMY AT LARGE

Introduction

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

Market size

India's real gross domestic product (GDP) at current prices stood at Rs. 135.13 lakh crore (US$ 1.82 trillion) in FY21, as per the provisional estimates of annual national income for 2020-21. India is the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US$ 73.2 billion, as per the Hurun Global Unicorn List. By 2025, India is expected to have ~100 unicorns by 2025 and will create ~1.1 million direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up'. India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030's, for productivity and economic growth according to McKinsey Global Institute. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. According to data from the RBI, as of the week ended on June 04, 2021, the foreign exchange reserves in India increased by US$ 6.842 billion to reach US$ 605 billion.

Recent Developments

With an improvement in the economic scenario, there have been investments across various sectors of the economy. In 2020, the total deal value in India stood at ~US$ 80 billion across 1,268 transactions. Of this, M&A activity contributed ~50% to the total transaction value. Private Equity - Venture Capital (PE-VC) sector recorded investments worth US$ 47.6 billion across 921 deals in 2020. Some of the important recent developments in Indian economy are as follows:

- Merchandise exports stood at US$ 62.89 billion between April 2021 and May 2021, while imports touched US$ 84.27 billion. The estimated value of service exports and imports between April 2021 and May 2021 stood at US$ 35.39 billion and US$ 19.86 billion, respectively.

- In May 2021, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 50.8.

- Gross GST collections stood at Rs. 141,384 crore (US$ 19.41 billion) in April 2021.

- Cumulative FDI equity inflows in India stood at US$ 763.58 billion between April 2000 and March 2021. Foreign Direct Investment (FDI) inflows in India stood at US$ 6.24 billion in April 2021, registering an increase of 38% YoY.

- India's Index of Industrial Production (IIP) for April 2021 stood at 126.6 against 143.4 for March 2021.

- Consumer Food Price Index (CFPI) – Combined inflation was 5.01 in May 2021 against 1.96 in April 2021.

- Consumer Price Index (CPI) – Combined inflation was 6.30 in May 2021 against 4.23 in April 2021.

- In June 2021, foreign portfolio investors (FPIs) turned net buyers by investing Rs. 12,714 crore (US$ 1.71 billion) into the Indian markets. According to depositories data, between June 1, 2021 and June 25, 2021, FPIs invested Rs. 15,282 crore (US$ 2.06 billion) in equities.

Government Initiatives

The first Union Budget of the third decade of 21st century was presented by Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman in the Parliament on February 1, 2020. The budget aimed at energising the Indian economy through a combination of short-term, medium-term and long-term measures. In the Union Budget 2021-22, capital expenditure for FY22 is likely to increase to increase by 34.5% at Rs. 5.5 lakh crore (US$ 75.81 billion) over FY21 (BE) to boost the economy. Increased government expenditure is expected to attract private investments, with production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded and measured policy support is anticipated to boost the Indian economy.

In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US$ 6.07 billion). The Union Cabinet approved the production linked incentive (PLI) scheme for white goods (air conditioners and LED lights) with a budgetary outlay of Rs. 6,238 crore (US$ 848.96 million) and the 'National Programme on High Efficiency Solar PV (Photo Voltic) Modules' with an outlay of Rs. 4,500 crore US$ 612.43 million).

In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22. To boost the overall audit quality, transparency and add value to businesses, in April 2021, the RBI issued a notice on new norms to appoint statutory and central auditors for commercial banks, large urban co-operatives and large non-banks and housing finance firms. In May 2021, the Government of India has allocated Rs. 2,250 crore (US$ 306.80 million) for development of the horticulture sector in 2021-22.

In November 2020, the Government of India announced Rs. 2.65 lakh crore (US$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US$ 27 billion) over five years to create jobs and boost production in the country.

Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, launched Make in India initiative with an aim to boost country's manufacturing sector and increase purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the Government are listed below:

- In June 2021, RBI Governor, Mr. Shaktikanta Das announced the policy repo rate unchanged at 4%. He also announced various measures including Rs. 15,000 crore (US$ 2.05 billion) liquidity support to contact-intensive sectors such as tourism and hospitality.

- In June 2021, Finance Ministers of G-7 countries, including the US, the UK, Japan, Italy, Germany, France and Canada, attained a historic contract on taxing multinational firms as per which the minimum global tax rate would be at least 15%. The move is expected to benefit India to increase foreign direct investments in the country.

- In June 2021, the Indian government signed a US$ 32 million loan with World Bank for improving healthcare services in Mizoram.

- In May 2021, the Government of India (GoI) and European Investment Bank (EIB) signed the finance contract for second tranche of EUR 150 million (US$ 182.30 million) for Pune Metro Rail project.

- According to an official source, as of June 2021, 29 companies including global electronics manufacturing organisations, such as companies Foxconn, Sanmina SCI, Flex, Jabil Circuit, have registered under the Rs. 12,195 crore (US$ 1.64 billion) production linked incentive scheme for the telecom sector.

- In May 2021, Union Cabinet has approved the signing of memorandum of understanding (MoU) on migration and mobility partnership between the Government of India, the United Kingdom of Great Britain and Northern Ireland.

- In April 2021, Minister for Railways and Commerce & Industry and Consumer Affairs, Food & Public Distribution, Mr. Piyush Goyal, launched 'DGFT Trade Facilitation' app to provide instant access to exporters/importers anytime and anywhere.

- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US$ 110 billion by 2030.

- India is expected to attract investment of around US$ 100 billion in developing the oil and gas infrastructure during 2019-23.

- The Government of India is going to increase public health spending to 2.5% of the GDP by 2025.

- For implementation of Agriculture Export Policy, Government approved an outlay Rs. 2.068 billion (US$ 29.59 million) for 2019, aimed at doubling farmers income by 2022.

Road Ahead

As indicated by provisional estimates released by the National Statistical Office (NSO), India posted a V-shaped recovery in the second half of FY21. As per these estimates, India registered an increase of 1.1% in the second half of FY21; this was driven by the gradual and phased unlocking of industrial activities, increased investments and growth in government expenditure.

As per the Reserve Bank of India's (RBI) estimates, India's real GDP growth is projected at 9.5% in FY22; this includes 18.5% increase in the first quarter of FY22; 7.9% growth in the second quarter of FY22; 7.2% rise in the third quarter of FY22 and 6.6% growth in the fourth quarter of FY22.

India is focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030, which is currently 30% and have plans to increase its renewable energy capacity from to 175 gigawatt (GW) by 2022. In line with this, in May 2021, India, along with the UK, jointly launched a 'Roadmap 2030' to collaborate and combat climate change by 2030.

India is expected to be the third largest consumer economy as its consumption may triple to US$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by PricewaterhouseCoopers.

Source: https://www.ibef.org/economy/indian-economy-overview
***Note:** Conversion rate used for June 2021 is Rs. 1 = US$ 0.013*

INDIAN MANUFACTURING SECTOR

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. Government aims to create 100 million new jobs in the sector by 2022.

Pillar for economic growth

- Organised manufacturing is the biggest private sector employer in India. Overall, more than 30 million people are employed in the sector (organized and unorganised) and will become the engine of growth as it tries to incorporate the huge available work force in India, most of who are semi-skilled.
- The sector will push growth in the rural areas where more than 5 million manufacturing establishments are running already. This will be an alternative available to the new generation off armers.
- Government aims to achieve 25% GDP share and 100 million new jobs in the sector by 2022.
- The manufacturing sector of India has the potential to reach US $1 trillion by 2025.

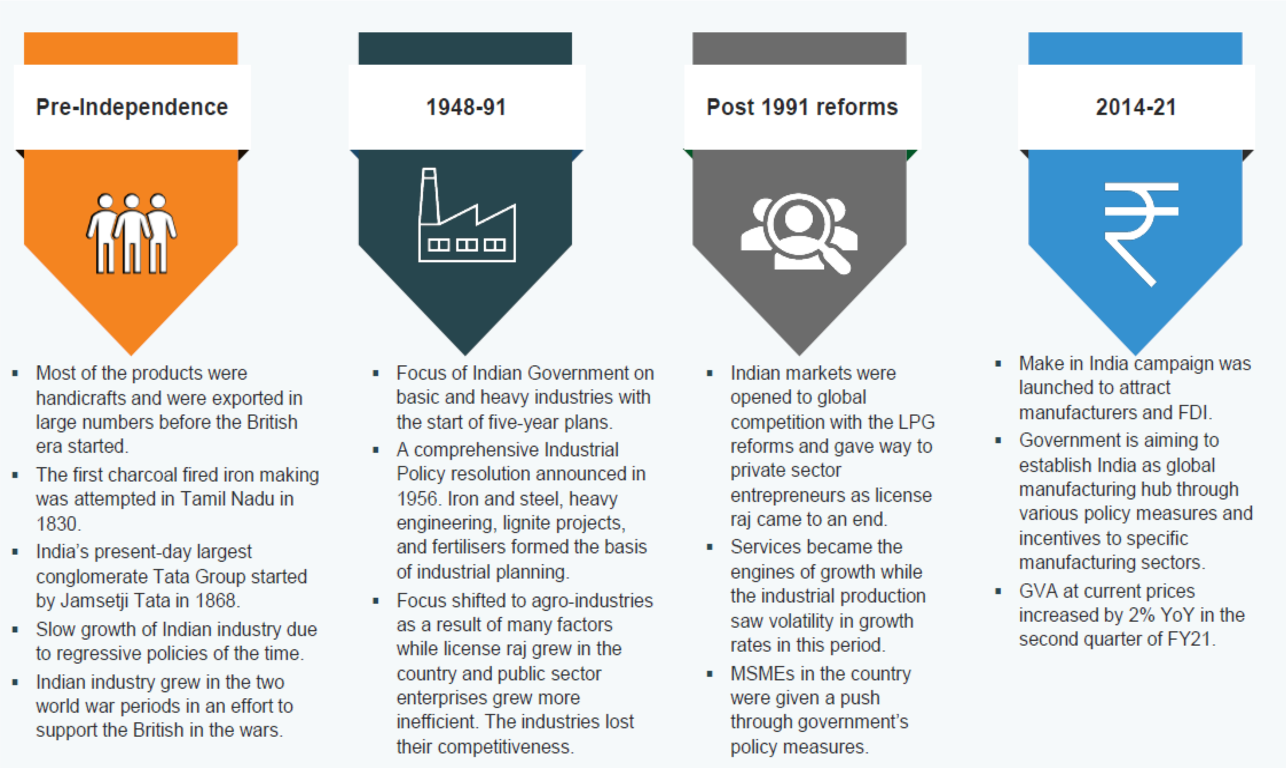
Potential to become a global hub

- India's manufacturing industry is already moving in the direction of industry 4.0 where everything will be connected, and every data point will be analysed. Indian companies are at the fore front of R&D and have already become global leaders in areas such as pharmaceuticals and textiles. Areas such as automation and robotics also receiving the required attention from the industry.
- Large international industrial producers such as Cummins and Abbott already have manufacturing bases in the country.

Competitiveness

- India has all the necessary ingredients for its major industrial push-a huge semi-skilled labour force, multiple Government initiatives like Make in India, high investments and a big domestic market.
- Necessary support infrastructure is being developed with areas such as power being the prime focus.
- Government incentives like free land to setup base and 24*7 power supply is making India competitive on a global scale

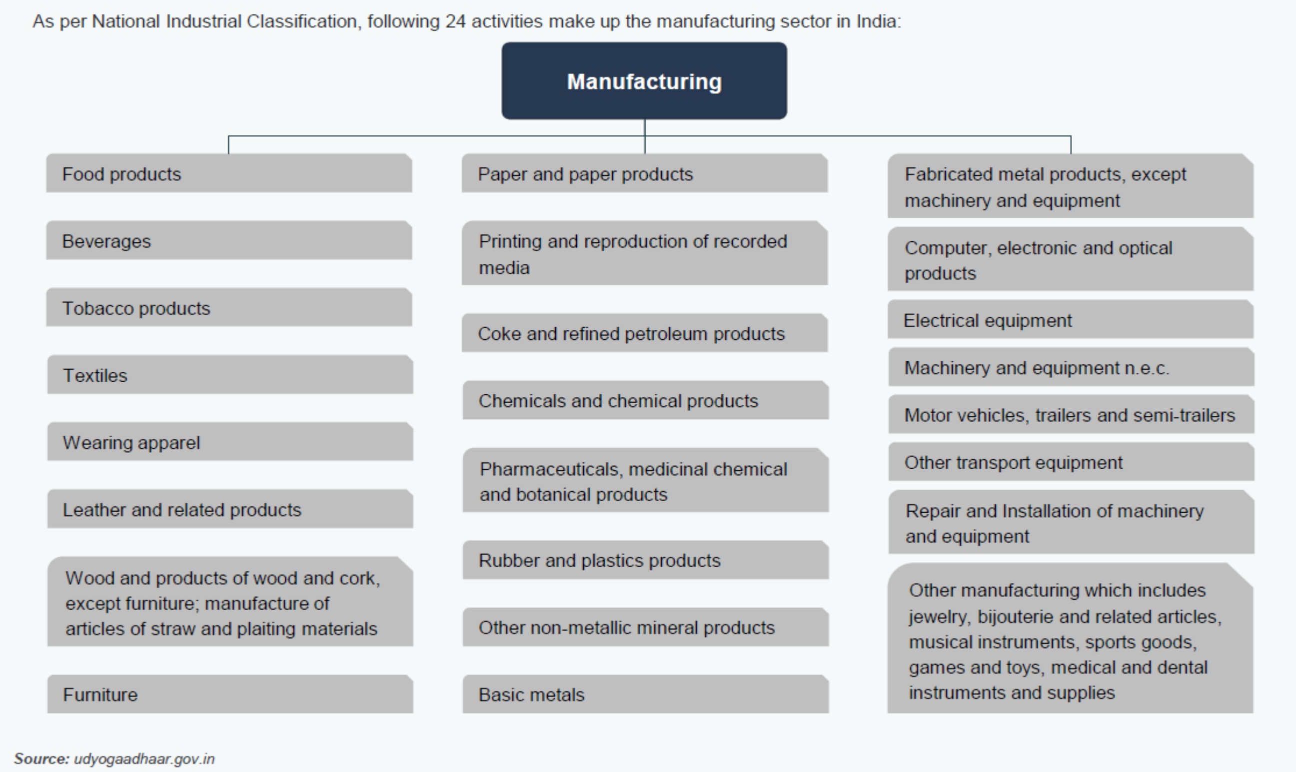
EVOLUTION OF THE INDIAN MANUFACTURING SECTOR



Note: *MSME - Micro, small and Medium Enterprises, FDI - Foreign Direct Investments, SE- Second Estimate*

Source: *data.gov.in, Central Statistics Office, Indian Express*

SUB-SECTORS UNDER MANUFACTURING



Market Size

The sector's gross value added (GVA) at current prices was estimated at US$ 348.53 billion as per the second advanced estimates of FY21. The India Manufacturing Purchasing Managers Index (PMI) reached 48.1 in June 2021 from 50.8 in May 2021. The manufacturing GVA accounts for 19% of the country's real gross value added. The manufacturing component of IIP stood at 117.2 between April 2020 and March 2021. According to the Ministry of Statistics & Programme Implementation, India's industrial output that is measured by the Index of Industrial Production (IIP) stood at 116.6 in May 2021. In May 2021, the industrial output indices for mining, manufacturing and electricity sectors stood at 108.0, 113.5 and 161.9, respectively.

As per the latest survey, capacity utilisation in India's manufacturing sector stood at 66.6% in the third quarter of FY21.

The manufacturing component of the IIP stood at 116.9 between April 2020 and March 2021. According to the Ministry of Statistics & Programme Implementation, India's industrial output measured by the Index of Industrial Production (IIP) stood at 143.4 in March 2021.

- The sector's gross value added (GVA) at current prices was estimated at US $348.53 billion as per the second advanced estimates of FY21.
- The manufacturing GVA accounts for 19% of the country's real gross value added
- The Index of Industrial Production (IIP) is prepared by the Central Statistics Office to measure the activity happening in three industrial sectors namely mining, manufacturing, and electricity.
- It is the bench mark index and serves as a proxy to gauge the growth of manufacturing sector of India since manufacturing alone has a weight of 77.63% in the index.
- The manufacturing component of IIP stood at 117.2 between April 2020 and March 2021.
- According to the Ministry of Statistics & Programme Implementation, India's industrial output that is measured by the Index of Industrial Production (IIP) stood at 116.6 in May2021.

- In May 2021, the industrial output indices formining, manufacturing and electricity sectors stood at 108.0, 113.5 and 161.9, respectively.

- The fourth quarter of FY 21 highlighted recovery prospects in the manufacturing industry, with earnings of 213 companies that indicated an increase of 15% in the total sales.

- In the fourth quarter of FY21, income and net sales of these 213 companies increased YoY by 9.5% and 12.8%, respectively.

Role in employment

- Manufacturing constitutes a significant part of employment in India. The Employees 'Provident Fund Organisation (EPFO) added ~77.08 lakh net subscribers in FY21. Around 24% of India's total employed population was working in the industrial sector in 2018.# As per the Ministry of Statistics and Programme Implementation (MOSPI) & Ministry of Labour & Employment report on Payroll Reporting in India, the number of new subscribers* under Employees' Provident Fund Scheme reached 9.20 lakh in May2021. As per gender-wise analysis of FY21, the net addition of females subscribers stood at 2.00 lakh in May2021.

Note:*#As per the World Bank, *Provisional Estimates, Updating of employee records is a continuous process, thus data gets updated in subsequent months*
Source: MOSPI,

Investments

With the help of Make in India drive, India is on a path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and an increasing purchasing power. In May 2020, the Government of India increased FDI in defence manufacturing under the automatic route from 49% to 74%. India has become one of the most attractive destinations for investment in the manufacturing sector. Some of the major investments and developments in this sector in the recent past are:

- In FY21, India received a total foreign direct investment (FDI) inflow of US$ 81.72 billion, a 10% increase YoY.
- On February 16, 2021, Amazon India announced to start manufacturing electronic products in India, starting first with Amazon Fire TV stick manufacturing.
- In April 2021, Samsung started manufacturing mobile display panels at its Noida plant and plans to ramp up manufacturing IT display panels soon.
    - Samsung Display Noida, which has invested Rs. 4,825 crore (US$ 650.42 million) to move its mobile and IT display manufacturing plant from China to Uttar Pradesh, has received special incentives from the state government.
- In April 2021, Bharti Enterprises Ltd. and Dixon Technologies (India) Ltd., formed a joint venture to take advantage of the government's PLI scheme for the manufacturing of telecom and networking products.
- In April 2021, Godrej Appliances launched a range of Made-in-India air conditioners (AC). The company plans to invest Rs. 100 crore (US$ 13.48 million) in its manufacturing units (located in Shirwal and Mohali) to increase its AC production capacity to 8 lakh units by 2025.

Government Initiatives

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

The government approved a PLI scheme for 16 plants for key starting materials (KSMs)/drug intermediates and active pharmaceutical ingredients (APIs). The establishment of these 16 plants would result in a total investment of Rs. 348.70 crore (US$ 47.01 million) and generation of ~3,042 jobs. The commercial development of these plants is expected to begin by April 2023. As part of efforts to expand its smartphone assembly industry and improve its electronics supply chain, the government, in March 2021, announced funds worth US$ 1 billion in cash to each semiconductor company that establishes manufacturing units in the country. The Union Budget 2021-

22 is expected to enhance India's domestic growth in manufacturing, trade and other sectors. Development of a robust infrastructure, logistics and utility environment for the manufacturing sector is a primary focus field.

Some of these initiatives are as follows:

- In July 2021, the government launched six technology innovation platforms to develop technologies and thereby, boost the manufacturing sector in India to compete globally.
- To propagate Make in India, in July 2021, the Defence Ministry issued a tender of Rs. 50,000 crore (US$ 6.7 billion) for building six conventional submarines under Project-75 India.
- In July 2021, the Ministry of Commerce and Industry announced that 104 start-ups from sectors, including food-tech, green energy, defence, education-tech, and health-tech, have joined 'Start-up India Showcase', an online discovery platform for the country's most promising start-ups that provides various social and digital connect opportunities.
- In May 2021, the government approved a PLI scheme worth Rs. 18,000 crore (US$ 2.47 billion) for production of advanced chemical cell (ACC) batteries; this is expected to attract investments worth Rs. 45,000 crore (US$ 6.18 billion) in the country, and further boost capacity in core component technology and make India a clean energy global hub.
- In India, the market for grain-oriented electrical steel sheet manufacturing is witnessing high demand from power transformer producers, due to the rising demand for electric power and increasing adoption of renewable energy in the country.
    - In line with this, in May 2021, JFE Steel Corporation in collaboration with JSW Steel Limited (JSW) signed a MoU to evaluate a study to establish a grain-oriented electrical steel sheet manufacturing & sales joint-venture company in India.
- To facilitate manufacturing and investment in sectors such as ICT and telecom, in May 2021, TEMA (Telecom Equipment Manufacturers Association of India) signed a collaboration deal with ICCC (Indo-Canada Chamber of Commerce) to promote 'Make in India' and 'Self-reliant India' initiatives.
- India's display panel market is estimated to grow from ~US$ 7 billion in 2021 to US$ 15 billion in 2025.
- The Mega Investment Textiles Parks (MITRA) scheme to build world-class infrastructure will enable global industry champions to be created, benefiting from economies of scale and agglomeration. Seven Textile Parks will be established over three years.
- The government proposed to make significant investments in the construction of modern fishing harbours and fish landing centres, covering five major fishing harbours in Kochi, Chennai, Visakhapatnam, Paradip, and Petuaghat, along with a multipurpose Seaweed Park in Tamil Nadu. These initiatives are expected to improve exports from the textiles and marine sectors.
- The 'Operation Green' scheme of the Ministry of the Food Processing Industry, which was limited to onions, potatoes and tomatoes, has been expanded to 22 perishable products to encourage exports from the agricultural sector. This will facilitate infrastructure projects for horticulture products.
- The Union Budget 2021-22 allocated funds of Rs. 1,000 crore (US$ 137.16 million) for the welfare of tea workers, especially women and their children. About 10.75 lakh tea workers will benefit from this, including 6.23 lakh women workers involved in the large tea estates of Assam and West Bengal.

Road Ahead

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

The manufacturing sector of India has the potential to reach US$ 1 trillion by 2025. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US$ 2.5 trillion along with a population of 1.32 billion people, which will be a big draw for investors. The Indian Cellular and Electronics Association (ICEA) predicts that India has the potential to scale up its cumulative laptop and tablet manufacturing capacity to US$ 100 billion by 2025 through policy interventions.

With impetus on developing industrial corridors and smart cities, the Government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

References: Central Statistics Office, FICCI, Economic Survey of India, DPIIT, Media sources, Ministry of Skill Development and Entrepreneurship
Note: *Conversion rate used in July 2021, Rs. 1 = US$ 0.01342*

Disclaimer: This information has been collected through secondary research and IBEF is not responsible for any errors in the same
Source: https://www.ibef.org/industry/manufactur-presentation

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" on page 27, for a discussion of the risks and uncertainties related to those statements, as well as "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 109 and 113, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated or unless context requires otherwise, the financial information used in this section is derived from our Restated Consolidated Summary Statements and Interim Condensed Consolidated Financial Statements.

Our Company was incorporated as '*Mettur Industries Limited*' on November 23, 1936 as a public limited company under the Companies Act, 1913 with the Registrar of Joint Stock Companies, Tamil Nadu, Madras. The name of our Company was changed to "*Mettur Beardsell Limited"* and a fresh certificate of incorporation dated November 10, 1969 consequent to such name change was issued to our Company by the Asst. Registrar of Companies, Tamil Nadu, Madras. The name of our Company was changed to "*Beardsell Limited"* and a fresh certificate of incorporation dated October 1, 1983 consequent to such name change was issued to our Company by the Asst. Registrar of Companies, Tamil Nadu, Madras. The corporate identification number of our Company is L65991TN1936PLC001428.

We manufacture and market a variety of thermal insulation and packaging products, mainly Expanded Polystyrene (EPoS) and rigid and flexible Polyurethane Foam (PUF) products. We are in the forefront of providing products and services for packaging, thermal insulation and pre-fabricated metal sheet and EPoS core buildings and panels. We also provide insulation contracting services and manufacture specialized thermally insulated doors and windows for cold storages and clean rooms. We also cater to the construction industry and manufacture and market pre-fabricated metal sheet and EPoS core buildings and panels. Finished goods are subjected to exhaustive quality checks, in line with industry standards.

We have a wide customer base and cater to customers from various industries like consumer durables (national and international), electronics, engineering products, pharmaceutical and agro products like vegetables and fish.

We have manufacturing facilities near Chennai, Bengaluru, Hyderabad, Thane, Pune and NOIDA. All these plants are equipped with imported / domestic production machinery and utilities. To meet the customers' requirements effectively, we have nine marketing offices, across the country. By virtue of quality and best of technical support, we have been retained as prime supplier by many customers, over decades. Our customers include Samsung, Haeir, LG Electronics, Nokia, Greaves Cotton, Butterfly Home Appliances, TAFE.

Manufacturing units	Products/Facilities
1. Tamil Nadu - Near Chennai 154/1-B, Govindamedu Village, Kilacherry PO, Mappedu, Thriruvallur Taluk and District PIN Code – 631 402	EPoS products, Pre-fabricated metal sheets and EPoS core buildings and panels
2. Karnataka –Bengaluru No: 6 A, KIADB Industrial Estate Malur PIN Code - 563 130	EPoS products, Rigid PUF products
3. Telangana – Hyderabad Survey No 466E / 470, Temple Road, Bonthapally, Gummadidala Mandal Sanga Reddy District PIN Code – 502 313	EPoS products, Pre-fabricated metal sheets and panels and Rigid PUF products
4. Maharashtra - Thane	EPoS Products, Pre-fabricated EPoS core

Manufacturing units	Products/Facilities
D-40, TTC Industrial Area, Thane - Belapur Road, Turbhe, P.O K.U.Bazzar Navi Mumbai PIN Code – 400 705	buildings and panels
5. Maharashtra – Pune B 113 / 1, MIDC – Tasawade, PO Umbraj District Satara, Karad PIN Code – 415 109	Pre-fabricated metal sheets panels, Specialized types of doors and windows
6. Uttar Pradesh - NOIDA F-79 & 80 UPSIDC Phase 1 Industrial Area, M G Road Hapur PIN Code – 201 015	Pre-fabricated EPoS core panels and Rigid PUF products

Corporate Structure

We have one Wholly Owned Subsidiary, Sarovar Insulation Private Limited and one Controlled Entity, M/s Saideep Polytherm (partnership firm). Sarovar Insulation Private Limited is engaged in the business of manufacture and trading of EPoS products and M/s Saideep Polytherm is engaged in the business of manufacture of EPoS, PUF and pre-fabricated panel products.

We work under the guidance of our Promoter and Executive and Whole-time Director, Amrith Anumolu, who has an experience of more than a decade and has been associated with our Company since the year 2010.

Our restated consolidated total income for Fiscals 2021, 2020 and 2019 were ₹ 13315.49 lacs, ₹ 16171.55 lacs and ₹ 19387.19 lacs respectively. Our restated consolidated EBITDA for Fiscals 2021, 2020 and 2019 were ₹ 1166.87 lacs, ₹ 1393.02 lacs and ₹ 1115.23 lacs respectively. Our restated consolidated profit / (loss) after tax for Fiscals 2021, 2020 and 2019 were ₹ (40.33) lacs, ₹ 81.93 lacs and ₹ (86.30) lacs respectively.

Our Operations

Following is our detailed revenue from contract with customers, as derived from the Restated Consolidated Summary Statements basis for the financial years ending March 31, 2021, 2020 and 2019:

(₹ in lacs)

Particulars	FY 2021	FY 2020	FY 2019
Sale of Products			
Finished Goods	10,710.62	13,224.60	15,263.10
Traded Goods	1,085.18	1,201.46	2,133.64
Sale of Services	1,375.80	1,606.06	1,870.53
Scrap Sales	53.61	41.56	40.40
Total Revenue from contract with customers	**13,225.21**	**16,073.68**	**19,307.67**

Business Strategy

To develop new regional markets for our products and services

We currently provide our products (packaging products and pre-fabricated metal sheet and EPoS core buildings and panels) and services (insulation contracting) to various parts of the country but are primarily concentrated in the south and west of India. Our product portfolio is limited but their uses are very varied based on customer's requirements, for example – EPoS can be used as a component for refrigerators and also as packaging material for the finished products. Through a combination of increased capacities, reduced costs, wider range of products and services adhering to global standards, marketing initiatives, competitive pricing and more efficient use of our resources, we intend to expand our national footprint and become a preferred provider of prefab, packaging and insulation products and services in India.

Enhanced focus on efficiency, cost and return on capital

We intend to continue to improve the efficiency of our operations, reduce costs, improve margins and enhance the efficiency of capital employed thereby increasing the return on our capital, while still focusing on sustainable growth. We will continue to leverage technology for better demand planning, replenishment and in season management activities. This will help us improve sales and broaden our product offerings while we rationalize our raw material inventory levels. These actions are expected to improve margins, reduce costs while improving our delivery times. With a strong focus on cash generation, we are also reducing our exposure to customer segments and channels that require us to maintain high levels of inventory or have longer payment cycles. We believe our focus on costs, network efficiency and asset turns will help us improve our profitability and return on capital employed.

Maintain and expand long-term relationships with clients

Our Company believes that business is a by-product of good relationships. The business model is based on client relationships that are established over period of time rather than a project-based execution approach. Our Company believes that long-term client relationships fetches better dividends. Long-term relations are built on trust and continuous satisfaction of the customers. The feedback received from these customers forms the basis of further expansion for our Company, as we are able to plan for a potential product/market properly. We intend to focus on expanding our customer base and forming new long term relationships with customers by catering to their needs and demands in a timely, efficient and cost effective manner.

Investing in advanced technology

Our vertically integrated production facilities are highly dependent on technology to ensure smooth and effective functioning, thereby making it conducive that we continue to modernize and upgrade the technology used by us. New technologies are constantly being developed for the various processes of manufacturing and we have invested in the latest available technology, plant and machinery to ensure that our manufacturing processes are up to date. We intend to continue upgrading our technology to keep ourselves competitive and efficient.

Leveraging of our marketing skills and relationships

We continue to enhance our business operations by ensuring that our network of customers increases through our marketing efforts. Our core competency lies in our deep understanding of our customers' buying preferences and behavior, which has helped us in achieving customer loyalty. We endeavor to continuously improve the product and services mix offered to the customers as well as strive to understand and anticipate any change in the expectation of our clients towards our products. We intend to strengthen our existing marketing team by inducting personnel with expertise in the packaging and pre-fabricated industry, who will supplement our existing marketing strategies in the domestic markets. We have already started supplying products in conformity with the international standards, which makes the quality of our products, our biggest marketing advantage. Our operations have endeavored to learn and follow the global trends to improve our efficiency, quality and customer servicing.

DETAILS OF OUR BUSINESS

- **PRODUCTS AND SERVICES**

We are in the business of manufacturing EPoS and PUF based thermal insulation and packaging products. We also manufacture pre-fabricated metal sheet and EPoS core buildings and panels.

Our Product Portfolio is as follows:

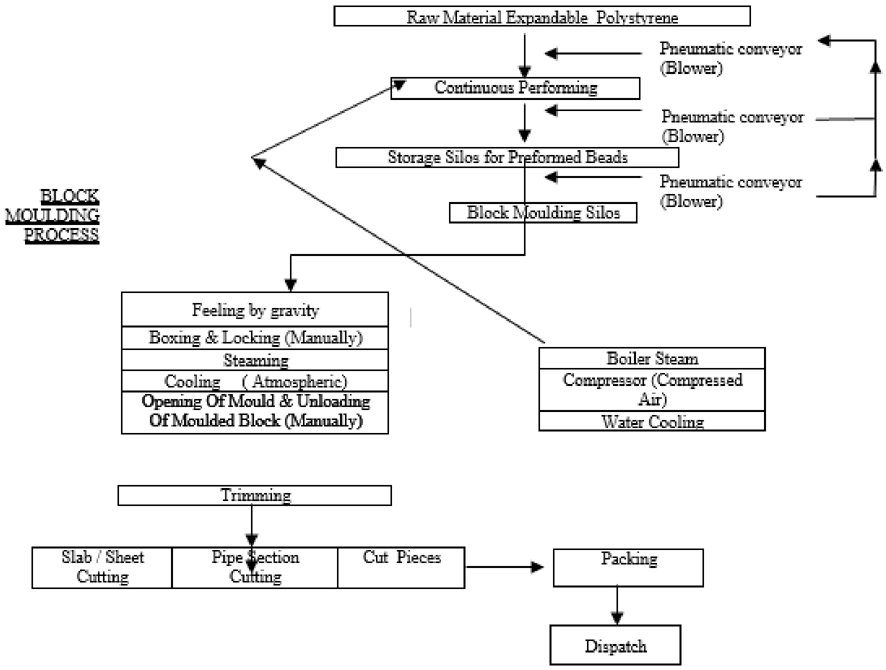
Product	Description
Expanded Polystyrene (EPoS) thermal insulation products	Popularly known as "THERMOCOLE". We make blocks, sheets, cut pieces and pipe sections which are used for thermal insulation. Our registered trade mark is **"THERMOFROST"** EPoS shape mouldings products manufactured for custom moulded packaging uses, are sold under the registered trade mark **"METOPLAST**".

Product	Description
	EPoS moulded Boxes – Registered Trade Mark – "**IGLOO"** for storage & transportation of Medicine, Vaccine, Dairy Products & Marine Products
Pre-fabricated metal sheet panels	These are pre-fabricated buildings predominantly used for construction of cold storages, clean rooms, warehouses and partitions. Registered trade mark is **"ISOBUILD"** Core material used are EPoS, PUF and rockwool slabs. The core is laminated with pre-painted galvanised iron (PPGI sheets). These panels are used as self-standing exposed wall / roof and partitions**.**
Pre-fabricated EPoS core panels	This is manufactured using core EPoS panel technology, widely used in construction industry for building thermally insulated wall and roof structures. Individual houses, villas extensions and G+2 flats can be constructed with these panels. Registered trade mark for such products is **"QUIKBUILD"**
Rigid Polyurethane Foam (PUF) insulation products	Thermal insulation products – blocks, sheets and pipe sections
Insulation contracting	Undertake Hot / Cold insulation contracts. Insulation is done on laid pipe lines, vessels and spheres
Doors and Windows	Manufacture, supply and erect all types of specialized doors and windows for cold storage, clean rooms. Trade Mark **"ISOTEK"**

MANUFACTURING PROCESS

The products manufactured by us has to go through various machines and undergo a number of processes, which are detailed below.

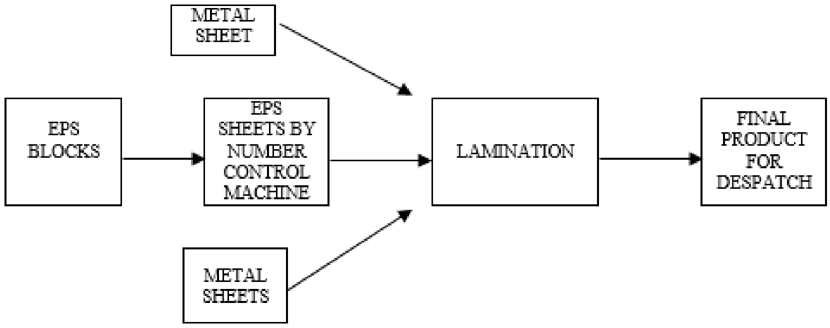
Manufacturing Process of Expanded Polystyrene Blocks, Sheets Pipe Sections & Molded Packaging



Manufacturing Process of Elements Of Pre-Fab Building Panels - IsoBuild

EPS blocks are Moulded as usual which are subsequently wire out on numeric control machine to produce sheets of required thickness. These sheets are laminated on both the sides with metal sheet with the help of adhesive. This process of lamination is carried out on panel laminating machine.

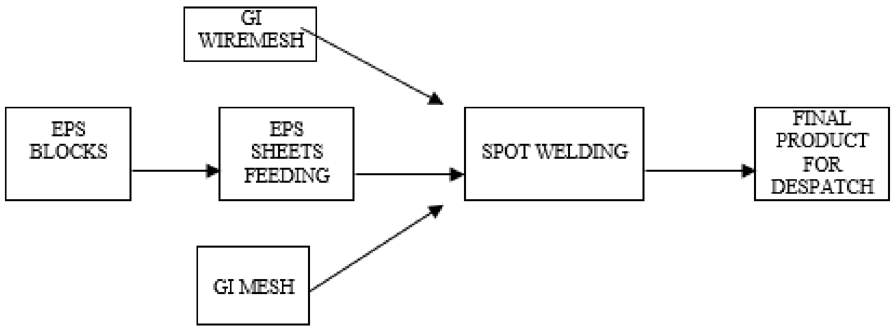
Flow Chart



Manufacturing Process of Elements Of Pre-Fab Building Panels - QuikBuild

EPS blocks are Moulded as usual which are subsequently wire out on numeric control machine to produce sheets of required thickness. These sheets are covering on both the sides with wiremesh with the help spot welding. This process is carried out on panel making machine. Mesh are making on mesh machine.

Flow Chart



Raw Material:

Expandable Polystyrene known EPoS – Resin

Steps of Process:

i) Pre – expansion:
The properties of expandable polystyrene are governed by the density at which it is molded. As such the density – control is the most important factor for processing this material. The raw material is fed inside a cylindrical vessel pneumatically. The material is stored inside the cylindrical vessel expanded inside the vessel so as to get required density. The method used for expansion of this material inside the vessel is uniform heating of the material. The ideal media for heating this material is steam. Due to the latent heat of steam the material additives are mixed. The expansion of the material can be controlled by adjusting the quantity of steam supplied and also by the feed rate for raw material. After expanding the material at a suitable density, the material is stored in silos for 12 to 16 hours and this processing is known as aging or maturing of the beads.

ii) Moulding:
The expanded material is fed inside aluminum moulds having various contours and shapes. The moulds are closed and the material is again steamed through steam jets. Since no space is available inside the closed mould for further expansion of the material, pressure develops inside the die and the particles cause together to form integral product which is subsequently cooled and ejected out from the mould. Low pressure moulding techniques are used in moulding this material to required shapes and no chemical process takes place during moulding. On the similar process, huge block moulds are used in order to mould this material in rectangular shapes. The blocks are subsequently sliced using hot wire to produce standard size sheets of various thicknesses. The materials are subsequently packed and supplied to various customers depending on the requirements.

Finished Products:
i) Moulded products of various shapes & sizes as per customer's requirement.
ii) Slabs of different sizes and thicknesses.

- <u>Pre-fabricated metal sheet panels</u>

EPoS (Expanded polystyrene) blocks are molded as usual which are subsequently wire our on automatic control machine to produce sheets of required thickness. These sheets are laminated on both the sides with metal sheet with the help of adhesive. The process of lamination is carried out on panel laminating machine.

- <u>Pre-fabricated EPoS core panels</u>

EPoS blocks are molded as usual which are subsequently wire our on automatic control machine to produce sheets of required thickness. These sheets are covered with wire mesh on QuikBuild panels making machine, Wire mesh made through wire mesh machine.

- **PLANT AND MACHINERY**

All our manufacturing units are equipped with various machinery, technology and equipment for the purpose of effectively carrying out our manufacturing process.

Revenue Break-up

Our revenue break up derived from the Restated Consolidated Summary Statements for the financial years ending March 31, 2021, 2020 and 2019 is as follows:

(₹ in lacs)

S. No.	Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
1.	Domestic	13,225.21	15,919.44	18,587.47
2.	Exports	NIL	154.24	720.20
	Total	**13,225.21**	**16,073.68**	**19,307.67**

Utilities:

Power

Our Company sources its power from the state electricity boards. In all the manufacturing units, adequate quantum of power is sanctioned by the applicable authorities. Our Company also has solar captive power plant of capacity 150 KW.

Fuel

Our Company uses coal as fuel for the boilers and uses diesel for the standby power generating sets.

Water

Water is sourced from bore-wells in all our manufacturing units except the units located in the state of Maharashtra. In the manufacturing units located in Maharashtra, water is supplied by Maharashtra Industrial Development Corporation Ltd., (MIDC). We have also installed Reverse Osmosis (RO) / softener plants at our manufacturing units to filter the raw water prior to its usage in the manufacturing process.

Waste Management

Our Company degranulates the waste EPoS materials generated during the manufacturing of the EPoS thermal insulation and packaging products and reuses the same in block production.

Capacity Installed and Capacity Utilization

Set forth below is the detail of the installed and utilized capacity of our manufacturing unit for the last three financial years.

Particulars	Fiscal 2021			Fiscal 2020			Fiscal 2019		
	Installed Capacity	Actual Production	% of Utilisation	Installed Capacity	Actual Production	% of Utilisation	Installed Capacity	Actual Production	% of Utilisation
THANE									
EPoS (In metric tonnes)	960	644	67.08	960	844.67	87.99	960	850.83	88.63
Pre-fabricated metal sheet panel (in sq. meter)	1,27,500	23,688	18.58	1,27,500	28,202.15	22.12	1,27,500	62,617.53	49.11
Pre-fabricated EPoS core panel (in sq. meter)									
CHENNAI									
EPoS (In metric tonnes)	960	494	51.46	960	855.00	89.06	800	750.00	93.75
Pre-fabricated metal sheet panel (sq. meter)	2,16,000	34,451	15.95	2,16,000	65,321	30.24	2,16,000	53,908	24.96
Pre-fabricated EPoS core panel (in sq. meter)	1,25,000	11,052	8.84	1,25,000	18,300	14.64	1,25,000	32,048	25.64
BANGALORE									
EPoS (In metric tonnes)	480	248	51.67	480	362.15	75.45	480	351.03	73.13
PUNE									
Pre-fabricated metal sheet panel (in sq. meter) and PUF	2,04,000	1,35,810	66.57	2,04,000	1,37,535	67.42	20,4,000	1,66,719	81.73
Door and Windows	3,600	1925	53.47	3,600	2472	68.67	-	-	-
HYDERABAD									
EPoS (In metric tonnes)	360	150	41.67	360	227.85	63.29	360	192.00	53.33
Pre-fabricated EPoS core panel (in sq. meter)	1,80,000	8,825	4.90	1,80,000	9782	5.43	1,80,000	8,303	4.61
NOIDA									
Pre-fabricated EPoS core panel (in sq. meter)	60,000	1,762	2.94	1,20,000	6,066.36	5.06	1,20,000	14,005	11.67
PUF Plant (in cubic meter)	70	36	51.43	1,200	340.57	28.38	-	-	-

Collaborations

Our Company, Wholly Owned Subsidiary or our Controlled Entity have not entered into any collaboration or joint venture agreement with any other company.

Corporate Social Responsibility

We as a responsible corporate citizen are committed to take up different developmental projects, as part of our Corporate Social Responsibility ("**CSR**") initiatives towards improving the quality of lives of the underprivileged sections of the society and other stakeholders. Our CSR strategies are aligned to national priorities to meet the basic needs of the local community. Our CSR policy defines the framework for implementing CSR activities in compliance with Section 135 of the Companies Act, 2013 and rules framed thereunder. The CSR committee has been constituted as per the applicable Act. We demonstrate our commitment towards our communities by committing our resources and energies to social development and we have aligned our CSR programs with Indian legal requirements. In furtherance of the same, we endeavor to undertake CSR activities such as, basic education, basic health, early childhood care and education by supplementing the effort of Government and suitably identifying the critical gaps and addressing it squarely.

Insurance

We generally maintain insurance covering our stocks, machineries and assets at such levels that we believe to be appropriate. We have obtained certain policies such as standard fire and special perils policy, marine cargo open policy, group personal accident insurance policy, public liability insurance policy, boiler and pressure vessel / plant insurance policy, machinery breakdown insurance policy, burglary policy, fidelity guarantee, money insurance policy, workmen compensation policy, group medical policy, term life policy, money insurance policy, etc. The standard fire and special perils policy and marine cargo open policy policies insure *inter alia* our raw materials that is, EPoS, specialized chemicals for manufacturing PUF and metal sheets, electrical installations, office equipment, computers and accessories, lab equipment, building, plant and machinery, stock, stock in process, finished goods, semi-finished, interior decorations, consumables, chemicals, high speed diesel, packing materials, traded goods of yarn and fabric, etc. The group personal accident insurance policy, personal accident insurance (group) policy insure our employees and workers. Although, we have taken appropriate insurance cover, there can be no assurance that our insurance policies will be adequate to cover the losses which we may incur due to the occurrence of an accident or a mishap.

Marketing

Marketing of all business verticals, are done by our Company directly through their network of nine sales offices, located across the Country. We have well qualified and experienced marketing & sales personnel for all the products. They regularly visit / contact customers, understand effectively meet their requirements. When need arises, customization is also done to suit specific requirements.

Human Resources

We believe that our employees are key contributors to our business success. As on July 31, 2021, we have 195 employees including our Directors, who look after our business operations, factory management administrative, secretarial, marketing and accounting functions in accordance with their respective designated goals.

Following is a department wise employee break-up:

Department	Number of Employees
Top level management	11
Accounts	33
HR	2
Secretarial	2
Marketing & Sales Including project engineers	70
Cotton	-
Yarn	-
Administration	20
Production	55
Maintenance & Electrical	-

Department	Number of Employees
Quality	-
Civil	-
IT	2
Total	**195**

INTELLECTUAL PROPERTY RIGHTS

a) **Trademark:**

Our Company owns the following trademark:

Sr. No.	Description	Registration Number	Valid up to
1.	METOPLAST	251784	September 19, 2023
2.	IGLOO	315222	May 27, 2024
3.	THERMOFROST	595263	April 22, 2027
4.	ISOBUILD	1091369	April 1, 2022
5.	ISOWARE	1091370	April 1, 2022
6.	MOON CRATOR	1091371	April 1, 2022
7.	STEILWALLZ	2431714	November 22, 2022
8.	THE STAR OF THE EAST	2373715	August 2, 2022
9.	QUIKBUILD	3701338	December 13, 2027
10.	ISOTEK	4263853	August 13, 2029

Our Company has also applied for the trademark registration of the logo BEARDSELL LIMITED and the application number is 2749141. Presently the application for registration of the aforementioned logo is at the advertisement stage.

Competition

We face competition from organized as well as unorganized players in the domestic market as well as international market. This industry is highly competitive and fragmented. We have a number of competitors offering services similar to us. Even with a diversified product portfolio, quality approach, processing flexibility and modern technology we may have to face competitive pressures. We believe the principal elements of competition in our industry are price, quality, timely delivery and reliability. We compete against our competitors by establishing ourselves as a knowledge-based company with industry expertise in providing variety of quality products.

Health and Safety

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted an environment, energy, occupational health and safety policy that is aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working under our management. We have implemented work safety measures to ensure a safe working environment, such measures include general guidelines for health and safety at our offices and warehouses, accident reporting, wearing safety equipment and maintaining clean and orderly work locations.

Our Immovable Properties

We carry out business operations from the following material properties:

a) *Owned property:*

Sr. No.	Particulars of the Property	Usage
1.	154/1-B, Govindamedu Village, Kilacherry PO, Mappedu, Thriruvallur Taluk & District - 631 402, Tamil Nadu, India.	Manufacturing Unit is located in these addresses
2.	Survey No 466E / 470, Temple Road, Bonthapally, Gummadidala MandalSanga Reddy District – 502 313, Telangana, India.	Factory

Sr. No.	Particulars of the Property	Usage
3.	SF No 482/B, Pollachi Main Road, Malumichampatti, Coimbatore – 641 021, Tamil Nadu, India.	Office functions from this address.

b) *Leasehold/Rental property:*

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage
1.	Lease Agreement executed on December 17, 1981 between Maharashtra Industrial Development Corporation and our Company(“Lessee”)	D-40, TTC Industrial Area, Thane - Belapur Road, Turbhe, P.O K.U. Bazzar Navi Mumbai PIN Code – 400 705	Consideration ₹ 3,97,100/-	Period of Lease - 95 years from 01.12.1972	Manufacturing purpose
2.	Lease Agreement executed on August 06, 2008 between Maharashtra Industrial Development Corporation (“Grantor”) and our Company (“Licensee”)	B 113 / 1, MIDC – Tasawade, PO Umbraj District Satara, Karad PIN Code – 415 109	Consideration ₹ 19,25,800/-	Period of Lease – 95 years from 06.08.2008	Manufacturing purpose
3.	Lease Agreement executed on April 01, 2017 between Gunnam Subba Rao Insulation Private Limited (“Lessor”) and our Company (“Lessee”)	6A, KIABD Industrial Estate, Kasaba Hobli, Malur Taluk – 563 130, Karnataka, India.	₹ 4,00,000/- per month	A period of 5 years commencing from April 01, 2017	Factory
4.	Leave and License Agreement executed on December 24, 2018 between Mr. Jayabhagwan Bharatvir Suhag (‘Licensor’) and our Company (‘Licensee”)	304, Central Business Space, Usmanpura, Ashram Road, Ahmedabad – 380 060, Gujarat, India.	₹ 21,500/ per month	A period of 5 years commencing from January 01, 2019	Branch Office
5.	Lease Deed executed on March 11, 2017 between Pamadi Viswanath Gupta [HUF] (“Lessor”) and our Company (“Lessee”)	No. 2, National High School Road, V.V. Puram, Bangalore – 560 004, Karnataka, India.	₹ 55,000/- per month (5% increase in rent every year after completion of one year)	A period of 5 years ending March 31, 2022	Branch Office
6.	Lease agreement executed on March 18, 2020 between E. Umapathy, C. Selva Sundari, M.E. Padmanaban	47, Greames Road, Chennai – 600 006, Tamil Nadu, India.	₹ 4,71,180/- per month for the first three years ₹ 5,06,490/- per month for the 4th year	A period of 5 years commencing from June 01, 2019	Head and Corporate Office

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage
	("Lessors") and our Company ("Lessee")		₹ 5,44,392/- for the 5th year		
7.	Lease Agreement executed on June 01, 2021 between B. Sreemala ("Lessor") and our Company ("Lessee")	Plot No. 3, Jyothi Colony, Secunderabad – 500 015, Telangana, India.	₹ 27,331/- per month	A period of 3 years commencing from June 01, 2021	Branch Office
8.	Leave and License Agreement executed on April 23, 2019 between Vaishali Chetan Mehta("Licensor") and our Company ("Licensee")	A Wing 102,103,104, 1st floor, Kanara Business Center, Laxmi Nagar, Ghatkopar, Mumbai – 400 075, Maharashtra, India.	₹ 1,80,000/- per month with annual increase as per agreement	A period of 5 years commencing from April 01, 2019	Branch Office
9.	Lease Agreement executed on March 19, 2020 between Kusum Bassi ("Lessor") and our Company ("Lessee")	Space No. 115, 1st Floor, Jyothi Shikhar Tower, Polt No. 8 District Center, Janak Puri, New Delhi – 110 058, India.	₹ 40,015/- per month for first three years ₹ 42,016/- per month for the remaining period	A period of 5 years commencing from April 01, 2020	Branch Office
10.	Rental Agreement executed on January 20, 2017 between Mr. Harkiran Singh and our Company	F-79, 80 M.G. Road, UPSIDC, Ghaziabad, Uttar Pradesh, India.	₹ 1,04,478/- per month	Agreement valid till December 31, 2022	Factory
11.	Lease Agreement executed on October 14, 2017 between J. Syamala Kumari ("Lessor") and our Company ("Lessee")	Sri Hari Surya Nilayam, D. No. 53, 17-55/2, V S Krishna College Road, Vishakhapatnam – 530 019, Andhra Pradesh, India.	₹ 6,500/- per month	A period of 5 years commencing from October 13, 2022	Branch Office
12.	Lease Agreement executed on April 01, 2014 between Hemalbhai Ravikantbhai Thakkar ("Lessor") and our Company ("Lessee")	Thakkar Shopping Centre, Gandhi Road, Bajwa, Baroda – 391 310, Gujarat, India.	₹ 7,623/- per month	A period of 9 years commencing from April 09, 2014	Warehouse
13.	Rental Agreement executed between Kerela Express Solutions ("Lessor") and our Company ("Lessee")	Vadakkal building, Near St. Thomas church, Kalamssery-Eloor Road, Alupuram PO, Kalamassery - 683501	₹ 5,000/- per month	Valid till November 30, 2021	Warehouse
14.	Rental Agreement executed between Kerela Express Solutions ("Lessor") and our Company ("Lessee")	119/XV, Vellarkodath Building, Alupuram PO, Kalamassery - 683501	₹ 3,000/- per month	Period of 10 months commencing from February 15, 2021	Warehouse

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage
15.	Lease Deed executed on April 01, 2018 between S. Kalavathy ("Lessor") and our Company ("Lessee")	40/6072, Kappasseril House, T.D.Road, Ernakulam – 682 035, Kerela, India.	₹ 11,972/- per month	Agreement valid till March 31, 2014	Warehouse
16.	Rental Agreement executed on January 25, 2019 between Jug Lal Chaudhary ("Lessor") and our Company ("Lessee")	Plot No.163, Swaran Park Extn. Sani Dharamshala Gali, Village Mundka, New Delhi – 110 041, India.	₹ 19,800/- per month	A period of 5 years commencing from February 01, 2019	Warehouse
17.	Leave and License Agreement executed on August 17, 2019 between Chembra Vinita Praveen ("Licensor") and our Company ("Licensee")	Office No. 232, 2nd Floor, Kohinoor Majestic, Plot No. 185/186, Chikhali Road, Chinchwada, Pune – 411 019, Maharsahtra, India.	₹ 25,000/- per month with annual increase as per agreement	A period of 5 years commencing from August 25, 2019	Branch Office
18.	Lease Agreement executed on June 01, 2017 between K.A. Ramanandhan ("Lessor") and our Company ("Lessee")	Ward No. 40/7883, Erankulam Village, Kanayanur Taluk, Kerela – 682 035, India.	₹ 5,856 per month	A period of 4 years commencing from June 01, 2019	Warehouse
19.	Lease Agreement executed on July 01, 2017 between the Secretary, Thiruvathara Juma-Ath Committee ("Lessor") and our Company ("Lessee")	Ward No. 67/10167, Erankulam Village, Kanayanur Taluk, Kerela – 682 035, India.	₹ 4,950/- per month	Agreement valid till December 31, 2021	Warehouse
20.	Lease Agreement executed on March 19, 2020 between Kusum Bassi ("Lessor") and our Company ("Lessee")	Office No. 114, 1st floor, Jyoti Shikhar Tower, District Center, Janak Puri, New Delhi – 110 058, India.	₹ 56,340/-	A period of 5 years commencing from April 01, 2020	Business
21.	Lease Agreement executed on July 1, 2020 between Suresh Kamat ("Lessor") and our Company ("Lessee")	40/6463, Kappasseril House, T.D.Road, Ernakulam – 682035, Kerela, India.	₹ 9,852/-	Agreement valid till June 30, 2023	Warehouse

OUR MANAGEMENT

Our Board of Directors

Our Articles of Association require us to have not less than three (3) and not more than fifteen (15) Directors. As on date of this Draft Letter of Offer, we have six (6) Directors on our Board, which includes, one (1) Executive Director, three (3) Non-executive Directors, one of whom is also the woman director of our Company and two (2) Independent Directors.

Set forth below are details regarding our Board as on the date of this Draft Letter of Offer:

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
Amrith Anumolu **DIN:** 03044661 **Date of Birth:** September 14, 1978 **Designation:** Executive and Whole Time Director **Address:** H. No. 12, Park View Enclave, Road No.2, Banjara Hills, Hyderabad - 500 034, Andhra Pradesh, India. **Occupation:** Industrialist **Term:** Re-designated as executive director with effect from May 20, 2019. Liable to retire by rotation. **Nationality:** Indian	43	NIL
Jayasree Anumolu **DIN:** 00845666 **Date of Birth:** May 15, 1954 **Designation:** Non-Executive Director **Address:** H. No.14, Park View Enclave, Road No.2, Banjara Hills, Hyderabad - 500 034, Andhra Pradesh, India. **Occupation:** Industrialist **Term:** Appointed with effect from March 31, 2015. Liable to retire by rotation. **Nationality**: Indian	67	i) Gunnam Subbarao Insulation Private Limited ii) Navabharat Environtech Private Limited
Ramaswamy Gowrishanker **DIN:** 00104597 **Date of Birth:** July 1, 1956 **Designation:** Chairman and Non-Executive Director	65	i) TQM Personnel Services India Private Limited ii) PRO PSK Technologies Private Limited iii) Med Skill India Private Limited iv) Southern India Chamber of Commerce & Industry v) SPL Polymers Limited

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
Address: 4/241 MGR Salai, Palavakkam, Kancheepuram, Chennai - 600 041, India. **Occupation:** Industrialist **Term:** Appointed with effect from October 21, 2019. Liable to retire by rotation **Nationality:** Indian		vi) Ablandig Business Solutions Private Limited
Velu Jeyapaul Singh **DIN:** 03129164 **Date of Birth:** February 12, 1952 **Designation:** Non-Executive Director **Address:** 1/3, Theppakula Street, Subramaniapuram, Palayamkottai, Tirunelveli - 627 002, Tamil Nadu, Inida. **Occupation:** Retired from LIC **Term:** Appointed on October 21, 2019. Liable to retire by rotation. **Nationality:** Indian	69	NIL
Rammohan Anappathur Vanchi **DIN:** 02093767 **Date of Birth**: April 6, 1952 **Designation**: Independent Director **Address**: D-2 Ceebros Aprts, 161, St.Mary’s Road, Raintree Hotel, Teynampet, Chennai – 600 018, Tamil Nadu, Inida. **Occupation**: Industrialist **Term:** For a period of five (05) years with effect from October 21, 2019 **Nationality:** Indian	69	Alter-Ego Management Consulting Private Limited
Gurram Jagannatha Reddy **DIN:** 07472109 **Date of Birth:** May 21, 1954 **Designation:** Independent Director	67	NIL

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
Address: Reddy House Number New.22, Old No. 26, Anderson Road, Chennai - 600 006, Tamil Nadu, India. **Occupation:** Doctor **Term:** For a period of five years (05) with effect from June 28, 2019 **Nationality:** Indian		

Brief Biographies of our Directors

Amrith Anumolu, aged 43 years, is the Executive and Whole Time Director of our Company. He is also the Promoter of our Company. He graduated from Virginia Polytechnic Institute and State University in the year 2001 with a degree of Bachelor of Science in electrical engineering. Thereafter in 2003, he completed his Master of Science in industrial engineering degree from Georgia Institute of Technology. He has vast work experience and has worked in companies like Ericsson Inc. and Panasonic Corp. His experience ranges from product design and development to business process improvements and re-engineering. He is associated with the Company since 2010.

Jayasree Anumolu, aged 67 years, is a Non-Executive Director of our Company. She is also the Promoter of our Company. She comes from a family of industrialists and has a rich experience over 25 years in business. She is the daughter of our late Chairman and Managing Director Shri P. Punniah. She is associated with the company since 2015.

Ramaswamy Gowrishanker, aged 65 years, is a Non-Executive Director and the Chairman of our Company. He graduated from Indian Institute of Technology, Madras in the year 1978 with a degree of Bachelor of Technology in chemical engineering. He then got his Master of Business Degree from The University of Chicago in the year 1982. He later completed his Master of Science in electronic commerce from Carnegie Mellon University in the year 2002 and then got a Master of Science in industrial engineering from University of Texas at Arlington. He has over 40 years of experience and he has worked in companies like AT&T, FEDEX and Holiday Inn in the USA and has had leadership roles in several entrepreneurial ventures. He serves on the Board of South India Chamber of Commerce and Industry (SICCI) and is the President of the prestigious MENSA Society of India. He is associated with the Company as a Director since 2006.

Velu Jeyapaul Singh, aged 69 years, is a Non-Executive Non-Independent Director of our Company. He graduated from Madurai University with a degree of Bachelor of Arts. Thereafter, he completed his Masters of Arts in Economics from Madurai University. Velu Jeyapaul Singh joined Life Insurance Corporation of India (**"LIC"**) as a Direct Recruit Officer in the year 1977. He has held various important assignments like Marketing Manager of Aurangabad Division, Sr. Divisional Manager of Tirunelveli Division, Regional Manager - Estates and Office Services (E&OS) of Western Zone, Mumbai and Regional Manager (E&OS) of Southern Zone, Chennai. On his elevation to the cadre of Executive Director, he took charge as Principal, Southern Zonal Training Centre, Chennai. He retired from the services of LIC in February 2012. He is associated with the Company as a Director since 2007.

Rammohan Anappathur Vanchi, aged 69 years, is an Independent Director of our Company. He completed his graduation from the Indian Institute of Technology, Kharagpur with a first class honours in aeronautical engineering in the year 1975. He also has a post-graduate diploma in management from Indian Institute of Management, Ahmedabad. He was the Chairman of C1 India Limited and he is currently on the board of Alter-Ego Management Consulting Private Limited and chairs the Audit Committee. He is associated with the Company since 2019.

Gurram Jagannatha Reddy, aged 67 years, is an Independent Director of our Company. He is a doctor by profession and completed his Master of Surgery in General Surgery from University of Mysore in the year 1989.

He studied Medicine at Ranga Raya Medical College, Kakinada. He has worked at Vijaya Hospital, Vadapalani, Chennai as a senior registrar. Since 1977 he is working as a consultant at Vijaya Hospital, Chennai. He has been associated with our Company from since 2019.

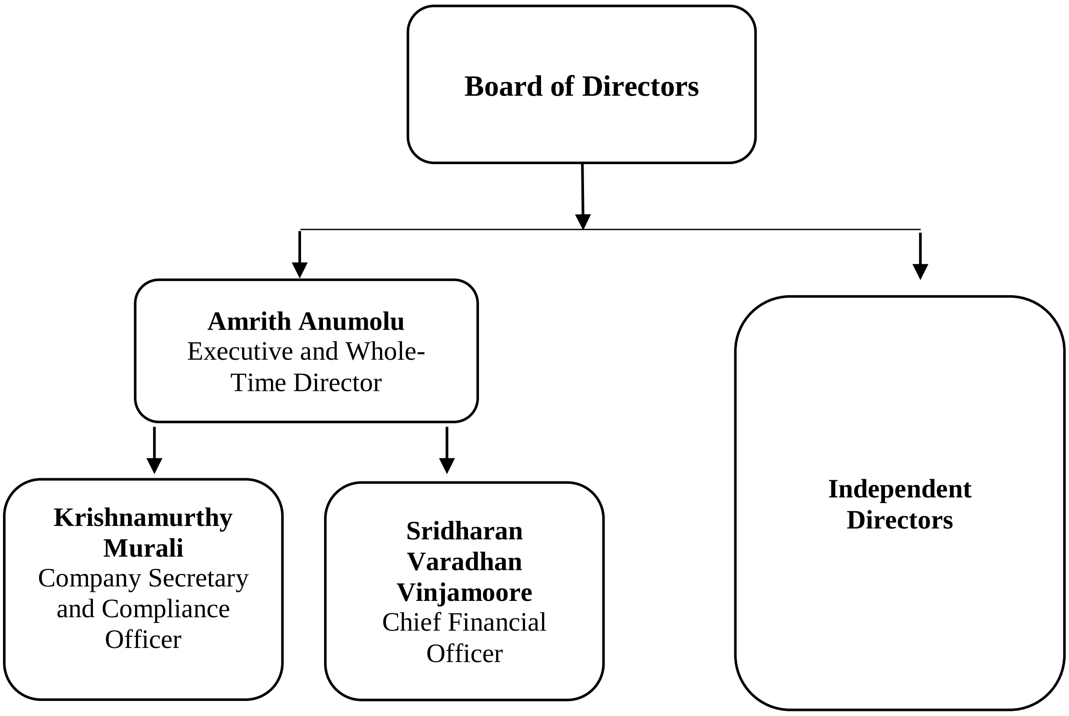
Confirmations

1. None of our Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such company.

2. Further, none of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.

Management Organization Structure

Set forth is the organization structure of our Company:



Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance are applicable to us.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI (ICDR) Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

a) Audit Committee;
b) Stakeholders' Relationship Committee;
c) Nomination and Remuneration Committee; and
d) Corporate Social Responsibility Committee.

Details of each of these committees are as follows:

a. Audit Committee

Our Audit Committee was last reconstituted by our Board of Directors in their meeting held on October 21, 2019 with the following members forming a part of the said Committee:

Sr. No.	Name of Member	Designation
1.	Rammohan Anappathur Vanchi	Chairman
2.	Gurram Jagannatha Reddy	Member
3.	Ramaswamy Gowrishanker	Member

The Company Secretary acts as the secretary of the Audit Committee.

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

1. Review of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;

3. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;

4. Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:

   a) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;

   b) changes, if any, in accounting policies and practices and reasons for the same;

   c) major accounting entries involving estimates based on the exercise of judgment by management;

d) significant adjustments made in the financial statements arising out of audit findings;

e) compliance with listing and other legal requirements relating to financial statements;

f) disclosure of any related party transactions; and

g) modified opinions in the draft audit report.

5. Reviewing, with the management, the quarterly financial results before submission to the board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with Internal Auditors of any significant findings and follow up thereon;

15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism;

19. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

21. To Review the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/ investments existing as on the date of coming into force of this provision; and

22. To mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

As required under the SEBI Listing Regulations, the Audit Committee shall meet at least four times a year with maximum interval of four months between two meetings and the quorum for each meeting of the Audit Committee shall be two members or one third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

b. Stakeholders Relationship Committee

Our Stakeholders Relationship Committee was last reconstituted on October 21, 2019. The members of the said Committee are as follows:

Sr. No.	Name of Member	Designation
1.	Gurram Jagannatha Reddy	Chairman
2.	Amrith Anumolu	Member
3.	Velu Jeyapaul Singh	Member
4.	Ramaswamy Gowrishanker	Member

The Company Secretary acts as the secretary of the Stakeholders Relationship Committee.

The scope and function of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the Stakeholders Relationship Committee of our Company include:

1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

2) Review of measures taken for effective exercise of voting rights by shareholders;

3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and

4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

As required under the SEBI Listing Regulations, the Stakeholders Relationship Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the security holders. The quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater, including at least one independent director in attendance.

c. Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was last reconstituted by our Board of Directors in their meeting held on October 21, 2019 with the following members:

Sr. No.	Name of Member	Designation
1.	Gurram Jagannatha Reddy	Chairman
2.	Jayasree Anumolu	Member
3.	Rammohan Anappathur Vanchi	Member
4.	Velu Jeyapaul Singh	Member

The Company Secretary acts as the secretary of the Nomination and Remuneration Committee.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations and the terms of reference, powers and role of our Nomination and Remuneration Committee are as follows:

1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;

3) Devising a policy on diversity of board of directors;

4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

6) Recommend to the Board, all remuneration, in whatever form, payable to senior management.

As required under the SEBI Listing Regulations, the Nomination and Remuneration Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the shareholders. The quorum for each meeting of the said committee shall be either two members or one-third of the members of the committee whichever is greater, including at least one independent director in presence.

d. Corporate Social Responsibility Committee

Our Corporate Social Responsibility Committee was constituted on 21/10/2019 with the following members forming a part of the said Committee:

Sr. No.	Name of Member	Designation
1.	Jayasree Anumolu	Chairman
2.	Amrith Anumolu	Member
3.	Velu Jeyapaul Singh	Member
4.	Gurram Jagannatha Reddy	Member

The Company Secretary acts as the secretary of the Corporate Social Responsibility Committee.

The terms of reference of the Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the Board, a CSR policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013;

2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;

3. To monitor the CSR policy of the Company from time to time;

4. Adhere to Section 135 of the Companies Act, 2013 & Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modifications, amendments or re-enactments thereto for the time being in force).

5. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.

Additionally, our Company has constituted various operational committees such as the Banking and Borrowing Committee and Rights Issue Committee.

Our Key Managerial Personnel

In addition to our Executive Director Amrith Anumolu, whose details have been provided under paragraph above titled *'Brief Profile of our Directors'*, set forth below are the details of our Key Managerial Personnel as on the date of filing of this Draft Letter of Offer:

Sridharan Varadhan Vinjamoore, aged 67 years, is the Chief Financial Officer of our Company. He holds a bachelor's degree in Physics from University of Madras and is as an associate member of the Institute of Chartered Accountants of India since the year 1985. He has been associated with our Company since September 30, 2017 in the capacity of Chief Financial Officer. In the past, he has served in Krupp Industries India Limited as Finance Manager.

Krishnamurthy Murali, aged 59 years, is the Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in Commerce from University of Madras and is a member of the Institute of Company Secretaries of India. He is responsible for handling secretarial matters of our Company and was appointed with effect from May 01, 2021.

All our Key Managerial Personnel are permanent employees of our Company.

None of our Key Managerial Personnel are entitled to receive any termination or retirement benefits.

Relationship of Key Managerial Personnel with our Key Managerial Personnel

None of the key managerial personnel are related to each other.

OUR PROMOTERS

Our Promoters are Amrith Anumolu, Jayasree Anumolu, Bharat Anumolu, Lalithamba Panda, Gunnam Subba Rao Insulation Private Limited and Villasini Real Estate Private Limited. As on date of this Draft Letter of Offer, the Promoters of our Company hold, in aggregate of 1,72,31,977 Equity Shares constituting 61.33% of our issued, subscribed and paid-up equity share capital. As on date of this Draft Letter of Offer, Amrith Anumolu does not hold any Equity Shares in our Company.

Our Company confirms that the permanent account number, bank account number and passport number in case of our Individual Promoters and permanent account number and bank account number in case of our corporate promoters shall be submitted to the Stock Exchanges at the time of filing this Draft Letter of Offer.

Our Individual Promoters:

Amrith Anumolu, Jayasree Anumolu, Bharat Anumolu and Lalithamba Panda

For details of the educational qualifications, experience, other directorships, positions / posts held by our Individual Promoters, Amrith Anumolu and Jayasree Anumolu, please see the chapter titled "*Our Management*" on page 95 of this Draft Letter of Offer.

Bharat Anumolu

Bharat Anumolu, aged 46 years, holds 38,00,694 Equity Shares constituting 13.53% of our issued, subscribed and paid-up equity share capital. He has 25 years of experience in varied business activities.

Other Directorships

The details of the directorships held by Bharat Anumolu are provided below:

S. No.	Name of the venture	Nature of interest
1.	Villasini Real Estate Private Limited	Director
2.	Sure Power Technologies Private Limited	Director
3.	Xenar Properties Private Limited	Director
4.	GSR Advisory Services Private Limited	Director

Lalithamba Panda

Lalithamba Panda, aged 95 years, holds 600 Equity Shares constituting negligible percentage (%) of our issued, subscribed and paid-up equity share capital. We do not have the requisite documents to disclose the educational qualifications and experience of Mrs. Lalithamba Panda, for risks relating to the same please refer to Risk Factor - "*Our Company does not have any documentary evidence for the educational qualifications and experience of one of our Promoters and educational qualifications for one of our Directors.*" in the chapter titled "*Risk Factors*" at page 35 of this Draft Letter of Offer.

Other Directorships

NIL

Our Corporate Promoters:

Gunnam Subba Rao Insulation Private Limited ("GSRIPL")

Corporate Information

GSRIPL, was incorporated on February 28, 1981 as a private limited company under the Companies Act, 1956 under the name and style '*Gunnam Subba Rao Investments Private Limited'*. The name of GSRIPL was changed to '*Gunnam Subba Rao Insulation Private Limited*' pursuant to a fresh certificate of incorporation dated May 7, 2010 issued by the Registrar of Companies, Tamil Nadu, Chennai. The registered office of GSRIPL is situated at 47 Greams Road, Chennai 600 006.

GSRIPL is engaged in the business of manufacture and processing of EPoS products.

The Promoters of GSRIPL are Jayasree Anumolu and Sarojini V.

The Director of GSRIPL are Jayasree Anumolu, Sridharan Vardhan Vinjamoore and Ramasundar Jeyachander.

GSRIPL has not listed its Equity Shares or any other securities on any Stock Exchange.

GSRIPL holds 33,28,320 Equity Shares of our Company constituting 11.84% shareholding in our Company.

Brief Financial Details

Set forth below is the consolidated financial information of GSRIPL based on its audited financial statements for the last three fiscal years:

(₹ in lakhs, except for per share data)

Particulars	**Fiscal***		
	2020	**2019**	**2018**
Issued and paid-up Equity Share Capital	14,38,850	14,38,850	14,38,850
Reserves and Surplus (excluding revaluation reserves)	2,34,60,184	1,91,36,632	1,54,16,074
Sales / Turnover/Other Income	59,46,725	50,86,699	6,0,05,165
Profit / (Loss) after Tax	43,23,552	37,20,557	33,41,413
Basic and Diluted EPS per share	30.04	25.85	23.22
Net Asset Value per equity share	173.05	143.00	117.14

**Audited financials for Fiscal 2021 are not available as of the date of this Draft Letter of Offer.*

Villasini Real Estate Private Limited ("VREPL")

Corporate Information

VREPL, was incorporated on May 19, 2012 as a private limited company under the Companies Act, 1956 under the name and style '*Villasini Real Estate Private Limited'*. The registered office of VREPL is situated at 47 Greams Road, Chennai 600 006.

VREPL is engaged in the business of real estate and solar power.

The Promoters of VREPL are Bharat Anumolu and Jayasree Anumolu.

The Directors of VREPL are Aditya Akkineni, Bharat Anumolu, Raghunath Rao Verabelli and Kukuppam Srinivasan Nagarajan.

VREPL has not listed its Equity Shares or any other securities on any Stock Exchange.

VREPL holds 10,10,749 Equity Shares of our Company constituting 3.59% shareholding in our Company.

Brief Financial Details

Set forth below is the financial information of VREPL based on its audited financial statements for the last three fiscal years:

(₹ in lakhs, except for per share data)

Particulars	**Fiscal***		
	2020	**2019**	**2018**
Issued and paid-up Equity Share Capital	7,74,99,990	7,74,99,990	1,00,010
Reserves and Surplus (excluding revaluation reserves)	(4,40,90,766)	(57,72,236)	(2,03,049)
Sales / Turnover	8,22,891	20,959	0
Profit / (Loss) after Tax	(3,83,18,529)	(55,90,145)	(2,03,049)
Basic and Diluted EPS per share	(4.94)	(0.72)	(20.31)
Net Asset Value per equity share	4.31	9.26	(10.30)

**Audited financials for Fiscal 2021 are not available as of the date of this Draft Letter of Offer*

Confirmations

1. None of our Promoters or members of our Promoter Group have been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

2. Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

3. None of our Promoters or Promoter Group entities have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

4. Except as disclosed in the '*Outstanding Litigation and Material Developments - Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals*' on page 150 of this Draft Letter of Offer, there is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoters.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, during the last three Fiscals, as per the requirements under Ind AS 24 read with SEBI ICDR Regulations and as reported in the Restated Consolidated Summary Statements, see section titled "*Financial Information"* at page 109 of this Draft Letter of Offer.

For details of the related party transactions, during the three months period ended June 30, 2021 and June 30, 2020, as per the requirements under the Ind AS 24 and as reported in the Interim Condensed Consolidated Financial Statements, see section titled "*Financial Information*" at page 109 of this Draft Letter of Offer.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

Dividends paid on Equity Shares:

The dividends declared by the Company on the Equity Shares in each of the Financial Years ending 2021, 2020 and 2019, derived from our Restated Consolidated Summary Statements is given below:

Particulars	Financial Performance		
	For the year ended March 31, 2021	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Face value per share (in ₹)	2.00	2.00	2.00
Final dividend (in ₹ lacs)*	28.10	67.44	-
Dividend per share (in ₹)	0.10	0.24	-
Rate of dividend (%)	5%	12%	-
Dividend Tax (%)	Taxable in the hands of shareholders	20.55%	-

* *Excluding dividend distribution tax*

The amount paid as dividends in the past is not necessarily indicative of our dividend policy or dividend amount, if any, in the future and there is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, see "*Risk Factor No. 55 – Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows*" on page 41 of this Draft Letter of Offer.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

S. No.	Details	Page Number
1.	Interim Condensed Consolidated Financial Statements for the three months period ended June 30, 2021 and the limited review report thereon dated October 25, 2021.	F1-F44
2.	Restated Consolidated Summary Statements as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and the examination report thereon dated October 25, 2021.	F45-F107

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Independent Auditor's Review Report on the Interim Condensed Consolidated Financial Statements

Review Report to
The Board of Directors
Beardsell Limited

1. We have reviewed the accompanying Interim Condensed Consolidated Financial Statements of Beardsell Limited (the "Holding Company") and its subsidiary and controlled entity (the Holding Company, its subsidiary and controlled entity together referred to as "the Group"), which comprises the interim condensed consolidated balance sheet as on June 30, 2021, the related interim condensed consolidated statement of profit and loss, including the statement of other comprehensive income, the interim condensed consolidated cashflow statement and the interim condensed consolidated statement of changes in equity for the quarter ended June 30, 2021 and a summary of selected explanatory notes for the quarter ended June 30, 2021 (collectively, referred to as the "Interim Condensed Consolidated Financial Statements").

2. Management is responsible for the preparation and presentation of these Interim Condensed Consolidated Financial Statements in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Interim Condensed Consolidated Financial Statements based on our review.

3. We conducted our review of the Interim Condensed Consolidated Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Interim Condensed Consolidated Financial Statements is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above and consideration of the review reports of other auditors of the Subsidiary and controlled entity referred to in Paragraph 6 below, nothing has come to our attention that causes us to believe that the Interim Condensed Consolidated Financial Statements are not prepared, in all material respects in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

5. **Emphasis of matter**

   We draw attention to Note 2.2 of the Interim Condensed Consolidated Financial Statements which describes uncertainties with respect to impact of Covid-19 pandemic, and its possible consequential implications, on the carrying value of Group's assets as at June 30, 2021.

   Our conclusion is not qualified in respect of this matter.

6. **Other matter**

The accompanying Interim Condensed Consolidated Financial Statements includes the unaudited interim condensed financial statements in respect of a subsidiary and controlled entity, whose unaudited interim condensed financial statements reflected total assets of Rs. 3.629.47 Lakhs as at June 30, 2021, total revenues of Rs. 624.24 lakhs, total net loss after tax of Rs. 14.91 lakhs, total comprehensive loss of Rs. 14.91 lakhs and total net cash inflows of Rs. 5.51 lakhs for the quarter ended June 30, 2021 as considered in the Interim Condensed Consolidated Financial Statements which have been reviewed by their respective independent auditors.

The independent auditor's reports on interim condensed financial statements of these entities have been furnished to us by the Management and our conclusion on the Interim Condensed Consolidated Financial Statements, in so far as it relates to the amounts and disclosures in respect of the subsidiary and controlled entity are based solely on the report of such auditors.

Our conclusion is not qualified in respect of this matter.

7. We report that the amounts and explanatory notes appearing in the accompanying Interim Condensed Consolidated Financial Statements for the corresponding quarter ended June 30, 2020 are based on the management certified financial statements of the Group and have not been subjected to any review by us. We have performed a limited review of the financial results of the Group for the quarter ended June 30, 2020 in accordance with the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 as amended on which we had issued an unmodified conclusion dated August 19, 2020.

8. We report that the amounts and explanatory notes appearing in the accompanying Interim Condensed Consolidated Financial Statements in respect of Balance sheet as at March 31, 2021 are based on the audited consolidated financial statements of the Group as at and for the year ended March 31, 2021, on which we had issued unmodified audit opinion dated June 30, 2021.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Aravind K
Partner
Membership No.: 221268
UDIN: 21221268AAAAGB3814
Place: Chennai
Date: October 25, 2021

Beardsell Limited
Interim Condensed Consolidated Balance Sheet as at June 30, 2021
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	June 30,2021	March 31, 2021
ASSETS			
Non current assets			
Property, plant and equipment	**3a**	3,990.90	4,073.43
Capital work in progress	**3a**	62.61	63.10
Goodwill	**3b**	242.12	242.12
Other intangible assets	**3c**	55.34	61.13
Right-of-use assets	**45**	1,124.68	1,158.25
Financial assets			
Investments	**4**	53.08	45.81
Loans	**5**	30.65	22.16
Trade receivables	**6**	34.46	34.82
Bank balances other than cash and cash equivalents	**7**	280.64	280.40
Others	**8**	126.00	125.94
Non-current tax assets (net)	**9**	23.84	23.76
Deferred tax assets (net)	**24**	64.59	62.29
Other non-current assets	**10**	0.84	0.84
		6,089.75	**6,194.05**
Current assets			
Inventories	**11**	1,963.85	1,717.28
Financial assets			
Trade receivables	**12**	2,806.53	3,183.54
Cash and cash equivalents	**13**	351.37	158.95
Bank Balances other than cash and cash equivalents	**14**	86.90	86.90
Loans	**15**	20.94	23.15
Others	**16**	84.67	81.50
Other current assets	**17**	830.67	863.20
		6,144.93	**6,114.52**
Total assets		**12,234.68**	**12,308.57**
EQUITY and LIABILITIES			
Equity			
Equity share capital	**18**	561.98	561.98
Other equity	**19**	3,390.44	3,386.40
Equity attributable to equity holders of the parent		**3,952.42**	**3,948.38**
Non-controlling interests		-	-
Total equity		**3,952.42**	**3,948.38**
Liabilities			
Non current liabilities			
Financial liabilities			
Borrowings	**20**	1,234.69	1,488.02
Lease liabilities	**21**	148.79	179.72
Other financial liabilities	**22**	1.03	0.83
Provisions	**23**	23.96	23.96
		1,408.47	**1,692.53**
Current liabilities			
Financial liabilities			
Borrowings	**25**	2,519.86	2,052.18
Trade payables	**26**		
Total outstanding dues of micro, small and medium enterprises		-	-
Total outstanding dues of creditors other than micro, small and medium enterprises		3,014.84	3,336.02
Lease liabilities	**27**	121.03	120.13
Other financial liabilities	**28**	242.41	250.06
Other current liabilities	**29**	705.71	615.25
Provisions	**30**	202.90	198.91
Current tax liabilities (net)	**31**	67.04	95.11
		6,873.79	**6,667.66**
Total equity and liabilities		**12,234.68**	**12,308.57**
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

Date: October 25, 2021

For and on behalf of the Board of Directors
Beardsell Limited

Amrith Anumolu
Executive Director
DIN:03044661
Place: Hyderabad

V J Singh
Director
DIN:03129164
Place: Tirunelveli

V V Sridharan
Chief Financial Officer
Place: Chennai

K Murali
Company Secretary
Place: Chennai

Date: October 25, 2021

Date: October 25, 2021

Beardsell Limited
Interim Condensed Consolidated Statement of Profit and Loss for the period ended June 30, 2021
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		Notes	For the period ended June 30, 2021	For the period ended June 30, 2020
I.	**Income**			
	Revenue from contracts with customers	**32**	3,441.31	1,572.66
	Other income	**33**	61.37	7.95
	Finance income	**34**	4.72	3.14
	Total income		**3,507.40**	**1,583.75**
II.	**Expenses**			
	Cost of raw material and components consumed	**35**	2,280.66	736.85
	Purchase of traded goods	**36**	249.27	56.39
	Changes in inventories of finished goods, work-in-progress and traded goods	**37**	(203.24)	104.14
	Employee benefits expense	**38**	348.08	331.22
	Depreciation and amortisation expense	**39**	148.90	151.61
	Finance costs	**40**	120.49	124.87
	Other expenses	**41**	549.76	422.43
	Total expenses		**3,493.92**	**1,927.51**
	Profit/(loss) before tax		**13.48**	**(343.76)**
	Tax expense			
	Current tax		8.50	-
	Adjustment of tax relating to earlier periods		-	-
	Deferred tax		(2.40)	(16.11)
	Total tax expense		**6.10**	**(16.11)**
	Profit/(loss) for the year		**7.38**	**(327.65)**
	Other comprehensive income (OCI)	**42**		
	Items not to be reclassified to profit or loss in subsequent periods			
	Gain/(loss) on equity instruments through OCI		0.38	0.17
	Income tax effect		(0.10)	(0.04)
	Re-measurement gains / (losses) on defined benefit plans		(4.84)	1.46
	Income tax effect		1.22	(0.38)
	Other comprehensive income for the year, net of tax		**(3.34)**	**1.21**
	Total comprehensive income/(loss) for the year, net of tax		**4.04**	**(326.44)**
	Earnings Per Equity Share Rs. 2/- each fully paid (March 31, 2021: Rs. 2/- each fully paid)	**47**		
	Computed on the basis of total profit/(loss) for the year/ period			
	Basic (Rs.)		0.03	(1.17)
	Diluted (Rs.)		0.03	(1.17)
	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

For and on behalf of the Board of Directors
Beardsell Limited

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

Amrith Anumolu
Executive Director
DIN:03044661
Place: Hyderabad

V J Singh
Director
DIN:03129164
Place: Tirunelveli

V V Sridharan
Chief Financial Officer
Place: Chennai

K Murali
Company Secretary
Place: Chennai

Date: October 25, 2021

Date: October 25, 2021

Date: October 25, 2021

Beardsell Limited
Interim Condensed Consolidated Statement of Changes in Equity for the period ended June 30, 2021
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

a. Equity Shares of Rs.2/- Each (March 31, 2021: Rs.2/- each), subscribed and fully paid up	Number of shares	Rs. In Lakhs
As at April 1, 2020	**28,099,008**	**561.98**
Increase/(decrease) during the year	-	-
At March 31, 2021	**28,099,008**	**561.98**
Increase/(decrease) during the period	-	-
At June 30, 2021	**28,099,008**	**561.98**

b. Other Equity

Particulars	Reserves and surplus			Items of OCI	Total
	Securities premium (Note 19)	General Reserve (Note 19)	Retained earnings (Note 19)	FVTOCI reserve (Note 19)	
As at April 1, 2020	**555.65**	**484.61**	**2,423.97**	**4.81**	**3,469.04**
Profit/ (loss) for the period	-	-	(327.65)	-	(327.65)
Other comprehensive income (Note 42)	-	-	1.08	0.13	1.21
Total Comprehensive Income	**555.65**	**484.61**	**2,097.40**	**4.94**	**3,142.60**
Cash dividends	-	-	-	-	-
As at June 30, 2020	**555.65**	**484.61**	**2,097.40**	**4.94**	**3,142.60**
Profit/ (loss) for the period	-	-	287.32	-	287.32
Other comprehensive income	-	-	(15.55)	0.13	(15.42)
Total Comprehensive Income	**555.65**	**484.61**	**2,369.17**	**5.07**	**3,414.50**
Cash dividends	-	-	(28.10)	-	(28.10)
As at March 31, 2021	**555.65**	**484.61**	**2,341.07**	**5.07**	**3,386.40**
Profit/ (loss) for the period	-	-	7.38	-	7.38
Other comprehensive income (Note 42)	-	-	(3.62)	0.28	(3.34)
Total Comprehensive Income	**555.65**	**484.61**	**2,344.83**	**5.35**	**3,390.44**
Cash dividends	-	-	-	-	-
As at June 30, 2021	**555.65**	**484.61**	**2,344.83**	**5.35**	**3,390.44**

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: October 25, 2021

For and on behalf of the Board of Directors
Beardsell Limited

Amrith Anumolu
Executive Director
DIN:03044661
Place: Hyderabad

V J Singh
Director
DIN:03129164
Place: Tirunelveli

V V Sridharan
Chief Financial Officer
Place: Chennai

K Murali
Company Secretary
Place: Chennai

Date: October 25, 2021

Date: October 25, 2021

Beardsell Limited
CIN : L65991TN1936PLC001428
Interim Condensed Consolidated Statement of Cash Flows for the period ended June 30, 2021
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the period ended June 30, 2021	For the period ended June 30, 2020
A. Cash flow from operating activities		
Profit/ (loss) before exceptional items and tax	**13.48**	**(343.76)**
Adjustments for		
Depreciation and amortisation expense	148.90	151.61
Finance income	(4.72)	(3.14)
Liabilities no longer required written back	(23.63)	-
Allowance for credit loss	-	99.59
Finance costs	120.49	124.87
Net unrealised foreign exchange differences	(2.68)	0.42
Operating profit before working capital changes	**251.84**	**29.59**
Movement in working capital		
(Increase)/ Decrease in inventories	(246.57)	133.80
(Increase)/ Decrease in current and non-current trade receivables	401.00	491.38
(Increase) / Decrease in financial and non-financial assets	(10.91)	56.19
(Increase) / Decrease in other assets	39.42	98.13
(Decrease)/ Increase in trade payables	(318.50)	(683.58)
(Decrease)/ Increase in financial, non-financial liabilities and provisions	80.26	166.23
Cash generated from operations	**196.54**	**291.74**
Income tax paid (net of refunds)	(36.65)	(6.52)
Net cash flow from operating activities (A)	**159.89**	**285.22**
B. Cash flow used in investing activities		
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(26.54)	1.21
Deposits made during the period	(0.24)	(9.47)
Proceeds from deposits	-	16.75
Purchase of Investments	(6.89)	-
Finance income received	5.17	3.14
Net cash flow used in investing activities (B)	**(28.50)**	**11.63**
C. Net cash flows used in financing activities		
Proceeds from long-term borrowings	5.50	76.78
Repayment of long-term borrowings	(190.22)	(100.00)
Proceeds/ (repayment) of short - term borrowings (net)	399.07	(47.02)
Payment of principal portion of lease liabilities	(34.83)	(34.16)
Interest paid on lease liabities	(4.80)	(7.96)
Interest paid	(113.69)	(116.36)
Net cash flows used in financing activities (C)	**61.03**	**(228.72)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**192.42**	**68.13**
Cash and cash equivalents at the beginning of the year	158.95	76.26
Cash and cash equivalents at the end of the period	**351.37**	**144.39**
Components of cash and cash equivalents (Refer note 13)		
Cash on hand	11.01	10.49
Balances with banks		
On current accounts	339.61	133.90
In deposits with original maturity of less than three months	0.75	-
Total cash and cash equivalents	**351.37**	**144.39**

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: October 25, 2021

For and on behalf of the Board of Directors
Beardsell Limited

Amrith Anumolu
Executive Director
DIN:03044661
Place: Hyderabad

V J Singh
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DIN:03129164
Place: Tirunelveli

V V Sridharan
Chief Financial Officer
Place: Chennai

K Murali
Company Secretary
Place: Chennai

Date: October 25, 2021

Date: October 25, 2021

1. Corporate information

The Interim Condensed Consolidated Financial Statements comprise the Interim Condensed Financial Statements of the Company, its subsidiary and controlled entity (collectively, the Group) as at and for the period ended June 30, 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, Supa & Hapur and branches with geographical spread across India. In addition, the Group has trading operations in domestic and international market.

2. Significant accounting policies

2.1. Basis of preparation

These Interim Condensed Consolidated Financial Statements include Interim Condensed Consolidated Balance Sheet, Interim Condensed Consolidated Statement of Profit and Loss, Interim Condensed Consolidated Statement of Changes in Equity, Interim Condensed Consolidated Statement of Cash Flows and accompanying notes. These financial statements have been prepared in accordance with Ind AS 34 'Interim Financial Reporting' as notified under Section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India. Accordingly, the said financial statements do not include all the information required for a complete set of Ind AS financial statements and should be read in conjunction with the Group's latest annual Consolidated Financial Statements for the year ended March 31, 2021. Further, selected explanatory notes have been included to explain events and transactions that are significant for the understanding of the changes in the Group's financial position and performance since the latest annual Consolidated Financial Statements.

The accounting policies applied by the Group for preparation of these interim condensed consolidated financial statements are consistent with those adopted for preparation of consolidated financial statements of the Group as at and for the year ended March 31, 2021.

These Interim Condensed Consolidated Financial Statements are presented in Indian Rupees which is also functional currency of the Holding Company, and its subsidiary and controlled entity and all values are rounded to the nearest lakhs, except when otherwise indicated.

These Interim Condensed Consolidated Financial Statements have been prepared solely for the purpose of inclusion in the Draft Letter of Offer ("Offer documents") in connection with proposed Rights issue of equity shares of Rs. 2 each of the Company (the "Proposed Rights issue") and were approved for issue in accordance with a resolution of the directors on October 25, 2021.

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 the respective historical audited 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 Interim Condensed Consolidated Financial Statements may differ from that estimated as at the date of approval of these financial statements.

2.3. Basis of consolidation

The Interim Condensed Consolidated Financial Statements comprise the Interim Condensed Financial Statements of the Company and its subsidiary and controlled entity as at June 30, 2021. 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 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 Interim Condensed Consolidated Financial Statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Interim Condensed 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 Interim Condensed Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Company member's Interim Condensed Consolidated Financial Statements in preparing the Interim Condensed 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., period ended on June 30.

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 Interim Condensed 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 Interim Condensed 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 Interim Condensed 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.

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)**
Property, plant and equipment	
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 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.

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.

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

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that the asset will be available for use or sale, its intention to complete and its ability and intention to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

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. 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 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 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 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.

<u>Financial assets</u>

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)
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
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 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 Interim Condensed 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.

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) Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

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

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
Gross block									
As at April 01, 2020	530.63	748.58	4,145.30	42.20	68.84	10.01	475.78	**6,021.34**	124.14
Additions	-	22.81	166.99	4.13	1.32	-	16.17	**211.42**	127.56
Disposals	-	-	(12.05)	(2.80)	(2.98)	-	(6.63)	**(24.46)**	-
Capitalisation	-	-	-	-	-	-	-	-	(188.60)
As at March 31, 2021	**530.63**	**771.39**	**4,300.24**	**43.53**	**67.18**	**10.01**	**485.32**	**6,208.30**	**63.10**
Additions	**-**	**3.17**	**18.47**	**2.62**	**0.65**	**2.11**	**-**	**27.02**	**25.25**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capitalisation	-	-	-	-	-	-	-	**-**	**(25.74)**
As at June 30, 2021	**530.63**	**774.56**	**4,318.71**	**46.15**	**67.83**	**12.12**	**485.32**	**6,235.32**	**62.61**
Depreciation									
As at April 01, 2020	-	175.15	1,220.04	36.03	45.77	3.91	224.32	**1,705.22**	-
Charge for the year	-	42.05	328.32	4.84	6.93	0.93	64.50	**447.57**	-
Disposals	-	1.83	(8.20)	(2.69)	(2.43)	-	(6.43)	**(17.92)**	-
As at March 31, 2021	**-**	**219.03**	**1,540.16**	**38.18**	**50.27**	**4.84**	**282.39**	**2,134.87**	**-**
Charge for the period	-	10.19	81.79	1.08	1.77	0.24	14.48	**109.55**	-
Disposals	-	-	-	-	-	-	-	-	
As at June 30, 2021	**-**	**229.22**	**1,621.95**	**39.26**	**52.04**	**5.08**	**296.87**	**2,244.42**	**-**
Net carrying value									
As at March 31, 2021	**530.63**	**552.36**	**2,760.08**	**5.35**	**16.91**	**5.17**	**202.93**	**4,073.43**	**63.10**
As at June 30, 2021	**530.63**	**545.34**	**2,696.76**	**6.89**	**15.79**	**7.04**	**188.45**	**3,990.90**	**62.61**

*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), Bonthapally (1.40 acres), Chennai -Thiruvallur (6.98 acres), Bihar (3.93 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 its stocks and book debts.

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 June 30, 2021 was Rs. 84.14 (March 31, 2020: Rs. 100.32). Additions during the year include Rs. Nil (March 31, 2021: Rs. 16.17) of vehicles under hire purchase contracts. Assets under hire purchase contracts are hypothecated as security for the related hire purchase liabilities.

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

3b Goodwill

Particulars	June 30,2021	March 31, 2021
Opening balance at the beginning of the year	**242.12**	**242.12**
Movement during the year/ period	-	-
Closing balance at the end of the year/ period	**242.12**	**242.12**
Impairment		
Opening balance at the beginning of the year	-	-
Movement during the year/ period	-	-
Closing balance at the end of the year/ period	-	-
Goodwill as at end of the year/ period	**242.12**	**242.12**

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.

3c Other Intangible assets

Particulars	Software	Total other intangible assets
Gross block		
As at April 01, 2020	**104.93**	**104.93**
Additions	2.30	2.30
Disposals	-	-
As at March 31, 2021	**107.23**	**107.23**
Additions	-	-
Disposals	-	-
As at June 30, 2021	**107.23**	**107.23**
Depreciation		
As at April 01, 2020	**23.42**	**23.42**
Charge for the year	22.68	22.68
Disposals	-	-
As at March 31, 2021	**46.10**	**46.10**
Charge for the period	5.79	5.79
Disposals	-	-
As at June 30, 2021	**51.89**	**51.89**
Net carrying value		
As at March 31, 2021	**61.13**	**61.13**
As at June 30, 2021	**55.34**	**55.34**

4 Non-current investments (fully paid up)

	June 30,2021	March 31, 2021
Investments		
(Un-quoted equity instruments at fair value through OCI)		
- 18,000 (March 31, 2021 : 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, 2021 : Rs. 180,000))	-	-
- 5,300 (March 31, 2021 : 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, 2021 : Rs. 750,000))	-	-
- 6,000 (March 31, 2021 : 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, 2021 : 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, 2021 : 7,500) equity shares of Rs. 10/- each fully paid up in Saraswat Co-operative Bank Ltd	0.75	0.75
- 237,378 (March 31, 2021 : 169,878) equity shares of Rs. 10/- each fully paid up in Frontline Power Corporation Limited	26.24	19.35
Total of un-quoted equity instruments at fair value through OCI (i)	**52.00**	**45.11**
(Quoted equity instruments at fair value through OCI)		
- 1,000 (March 31, 2021 : 1,000) equity shares of Rs. 2/- each fully paid up in Nava Bharat Ventures Limited	1.08	0.70
Total of quoted equity instruments at fair value through OCI (ii)	**1.08**	**0.70**
Total Investments (i)+(ii)	**53.08**	**45.81**

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

4 Non-current investments (fully paid up) (continued)

	June 30, 2021	March 31, 2021
Aggregate book value of quoted investments	1.08	0.70
Aggregate market value of quoted investment	1.08	0.70
Aggregate value of unquoted investments	42.70	54.41
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 Group. Thus, disclosing their fair value fluctuation in profit or loss will not reflect the purpose of holding. Refer Note 48 for determination of their fair values.

5 Loans (non-current)

	June 30,2021	March 31, 2021
Loans to employees - secured, considered good	4.33	4.57
Loans to employees - unsecured, considered good	26.32	17.59
Total	**30.65**	**22.16**

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.

6 Trade receivables (non-current)
(Unsecured, considered good unless otherwise stated)

	June 30,2021	March 31, 2021
Trade receivables	34.46	34.82
Total	**34.46**	**34.82**

No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person.

7 Bank balances other than cash and cash equivalents (non-current)

	June 30,2021	March 31, 2021
In earmarked accounts		
Balances held as margin money	280.64	280.40
Total	**280.64**	**280.40**

8 Other non-current financial assets
(Unsecured, considered good unless otherwise stated)

	June 30,2021	March 31, 2021
Security deposits	126.00	125.94
Total	**126.00**	**125.94**

9 Non-current tax assets (net)
(Unsecured, considered good unless otherwise stated)

	June 30,2021	March 31, 2021
Advance income tax net of provision for tax	23.84	23.76
Total	**23.84**	**23.76**

10 Other non-current assets
(Unsecured, considered good unless otherwise stated)

	June 30,2021	March 31, 2021
Capital advances	0.84	0.84
Total	**0.84**	**0.84**

11 Inventories
(Cost or net realisable value whichever is lower)

	June 30,2021	March 31, 2021
Raw materials and packing materials	788.86	746.39
Work-in-progress	163.06	98.07
Finished goods	669.22	572.73
Stock-in-trade (acquired for trading)	257.63	215.87
Stores and spares	85.08	84.22
Total	**1,963.85**	**1,717.28**

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

12 Trade Receivables

(Unsecured, considered good unless otherwise stated)

	June 30,2021	March 31, 2021
Trade receivables	2,804.13	3,181.75
Receivables from related parties (Refer note 44)	2.40	1.79
Total trade receivables	**2,806.53**	**3,183.54**
Trade receivables		
Considered good	2,806.53	3,183.54
Significant increase in credit Risk	26.34	28.56
Credit impaired	765.42	808.56
Total trade receivables	**3,598.29**	**4,020.66**
Impairment Allowance (allowance for bad and doubtful debts)		
Significant increase in credit Risk	(26.34)	(28.56)
Credit impaired	(765.42)	(808.56)
Total impairment allowance	**(791.76)**	**(837.12)**
Total trade receivables (net)	**2,806.53**	**3,183.54**

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 44

Reconciliation of Provision / Impairment for Receivables

	June 30,2021	March 31, 2021
Opening Balance as at beginning of the year	837.12	750.90
Created during the year/ period (Net)	(45.36)	86.22
Closing Balance as at end of the year/ period	**791.76**	**837.12**

13 Cash and cash equivalents

	June 30,2021	March 31, 2021
Balances with Banks		
On current accounts	339.61	148.99
In deposits with original maturity of less than three months	0.75	-
Cash on hand	11.01	9.96
Total	**351.37**	**158.95**

As at 30th June 2021, the Company had undrawn committed borrowing facilities of Rs. 399.86 (31st March 2021 - Rs. 772.38).

14 Bank Balances other than cash and cash equivalents

	June 30,2021	March 31, 2021
In earmarked accounts		
Unclaimed dividend accounts*	19.84	19.84
Others #	67.06	67.06
Total	**86.90**	**86.90**

* 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)

	June 30,2021	March 31, 2021
Loans to employees - secured, considered good	4.29	2.45
Loans to employees - unsecured	16.65	20.70
Total	**20.94**	**23.15**

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.

16 Others current financial assets

(Unsecured, considered good unless stated otherwise)

	June 30,2021	March 31, 2021
Security deposits	83.27	79.92
Interest receivable	1.40	0.95
Derivative instrument at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts	-	0.63
Total	**84.67**	**81.50**

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

Breakup of financial assets

	June 30,2021	March 31, 2021
At amortised cost		
Non-current and current loans	51.59	45.31
Trade receivables	2,840.99	3,218.36
Cash and cash equivalents	351.37	158.95
Non-current and current Bank balances other than cash and cash equivalents	367.54	367.30
Other non-current and current financial assets	210.67	206.81
Total financial assets carried at amortised cost	**3,822.16**	**3,996.73**

17 Other current assets

(Unsecured, considered good unless otherwise stated)

	June 30,2021	March 31, 2021
Advance paid for jobs in progress		
- Considered good	200.41	266.75
- Considered doubtful	137.93	116.20
Advances for supply and services	379.22	347.76
Prepayments	69.68	74.43
Balances with Statutory/Government Authorities (net)	49.00	57.51
Surplus gratuity fund balance	26.85	26.85
Other advances	105.51	89.90
Less: Allowance for credit loss against doubtful advances	(137.93)	(116.20)
Total	**830.67**	**863.20**

Reconciliation of allowance for credit loss against doubtful advances

	June 30, 2021	March 31, 2021
Opening Balance as at beginning of the year	116.20	120.96
Created during the year / period (net)	21.73	(4.76)
Closing Balance as at end of the year/ period	**137.93**	**116.20**

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18 Share capital

18.1 Authorised share capital

Equity shares of Rs. 2/- each (March 31, 2021 : Rs. 2/- each)

	Number of shares	Rs. in lakhs
At April 1, 2020	**50,000,000**	**1,000.00**
Increase/(decrease) during the year	-	-
At March 31, 2021	**50,000,000**	**1,000.00**
Increase/(decrease) during the period	-	-
At June 30, 2021	**50,000,000**	**1,000.00**

18.2 Issued, Subscribed and Paid-up Capital

Equity shares of Rs. 2/- each (March 31, 2021 : Rs. 2/- each) issued, subscribed and fully paid

	Number of shares	Rs. in lakhs
At April 1, 2020	**28,099,008**	**561.98**
Increase/(decrease) during the year	-	-
At March 31, 2021	**28,099,008**	**561.98**
Increase/(decrease) during the period	-	-
At June 30, 2021	**28,099,008**	**561.98**

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

	June 30,2021		March 31, 2021	
	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%	3,800,694	13.53%
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

(a) 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.

(b) 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.

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

19 Other equity

	June 30,2021	March 31, 2021
Reserves and Surplus		
(a) Securities premium account		
Balance at the beginning of the year / period	555.65	555.65
Balance at the end of the year / period	**555.65**	**555.65**
(b) General reserve		
Balance at the beginning of the year / period	484.61	484.61
Balance at the end of the year / period	**484.61**	**484.61**
(c) Surplus in the statement of profit and loss		
Balance at the beginning of the year / period	2,341.07	2,423.97
Add: Profit/ (loss) for the year / period	7.38	(40.33)
Re-measurement gain/(loss) on Defined Benefit Obligations (net of tax impact) (refer note 42)	(3.62)	(14.47)
Less: Cash dividend*	-	(28.10)
Balance at the end of the year / period	**2,344.83**	**2,341.07**
***Distribution made and proposed**		
i). Cash dividends on equity shares proposed and paid		
Final dividend for period / year ended on June 30 2021: Rs.Nil per share (March 31, 2021: Rs.0.10 per share)	-	28.10
Dividend distribution tax	-	-
Total cash dividend including dividend distribution tax	**-**	**28.10**
ii). Proposed dividend on equity shares		
Final dividend for the period/ year ended on June 30, 2021: Rs.Nil per share (March 31, 2021: Rs.Nil per share)	-	-
Dividend distribution tax	-	-
Total proposed dividend including dividend distribution tax	**-**	**-**

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.

(d) FVTOCI reserve		
Balance at the beginning of the year	5.07	4.81
Add: Other comprehensive income for the year/ period	0.28	0.26
Balance at the end of the year	**5.35**	**5.07**
Total other equity	**3,390.44**	**3,386.40**

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 Group 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 Group 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.

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

20 Borrowings (non-current)

	June 30,2021	March 31, 2021
Term loans		
Indian Rupee loans from banks (Secured) (a)	497.63	585.43
Long term maturities of finance lease obligation		
Obligations under hire purchase contracts (Secured) (a)	22.14	27.75
Unsecured loans from others		
Unsecured deposits from members - others	89.92	99.84
Unsecured inter corporate deposits	325.00	400.00
Unsecured loans and advances from related parties (Refer note 44)	300.00	375.00
Total	**1,234.69**	**1,488.02**

(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 - 12.10% to 13.10%)

(b). Unsecured 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% (previous year - 7.95%)

(c). Unsecured 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% (previous year - 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%.

(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%

21 Finance lease liabilities (non current)

	June 30,2021	March 31, 2021
Long term maturities of finance lease obligation		
Lease liabilities (refer note 45)	148.79	179.72
Total	**148.79**	**179.72**

22 Other financial liabilities (non current)

	June 30,2021	March 31, 2021
Interest accrued but not due on deposits from others	1.03	0.83
Total	**1.03**	**0.83**

23 Provisions (non-current)

	June 30,2021	March 31, 2021
Provision for gratuity	23.96	23.96
Total	**23.96**	**23.96**

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

24 Deferred tax liability / (asset) (Net)

		June 30,2021	March 31, 2021
Deferred tax liability relating to			
On difference between book balance and tax balance of Property, plant & equipment		252.95	258.55
Deferred tax impact on fair valuation of Investments		2.71	2.61
	(A)	**255.66**	**261.16**
Deferred tax asset relating to			
Provision for compensated absences & bonus		68.39	66.69
Provision for impairment allowance on financial assets		237.38	243.33
Leases - Ind AS 116 adjustments		14.48	13.43
	(B)	**320.25**	**323.45**
Deferred tax liability (Net)	**(A-B)**	**(64.59)**	**(62.29)**

For the period ended June 30, 2021	Opening Balance	Recognised in profit & loss	Recognised in OCI	Closing balance
Property, plant and equipment	258.55	(5.60)	-	252.95
Provision for compensated absences & bonus	(66.69)	(1.70)	-	(68.39)
Provision for impairment allowance on financial assets	(243.33)	5.95	-	(237.38)
Leases - Ind AS 116 adjustments	(13.43)	(1.05)	-	(14.48)
FVTOCI reserve	2.61	-	0.10	2.71
	(62.29)	**(2.40)**	**0.10**	**(64.59)**

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 & bonus	(37.13)	(29.56)	-	(66.69)
Provision for impairment allowance on financial assets	(222.83)	(20.50)	-	(243.33)
Leases - Ind AS 116 adjustments	(3.99)	(9.44)		(13.43)
FVTOCI reserve	2.52	-	0.09	2.61
	16.11	**(78.49)**	**0.09**	**(62.29)**

For the period ended June 30, 2020	Opening Balance	Recognised in profit & loss	Recognised in OCI	Closing balance
Property, plant and equipment	277.54	41.05	-	318.59
Provision for compensated absences & bonus	(37.13)	(0.38)	-	(37.51)
Provision for impairment allowance on financial assets	(222.83)	(21.08)	-	(243.91)
Leases - Ind AS 116 adjustments	(3.99)	(0.87)	-	(4.86)
FVTOCI reserve	2.52	-	0.04	2.56
Unabsorbed business loss	-	(34.87)	-	(34.87)
	16.11	**(16.15)**	**0.04**	**-**

The Group has tax losses which arose in India of Rs. 1,103.65 (31 March 2021: Rs. 1,088.74) that are available for offsetting for eight years against future taxable profits of the companies in which the losses arose. Majority of these losses will expire in March 2026.

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiary and controlled entity that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, the profit would increase by Rs. 286.95 (March 31, 2021 - Rs. 283.07).

25 Borrowings (Current)

	June 30,2021	March 31, 2021
Cash credit from banks (secured)	1,752.57	1,353.50
Unsecured inter corporate deposits	22.00	22.00
Unsecured loans and advances from related parties (refer note 44)	87.75	87.75
Unsecured deposits from members - related parties (refer note 44)	85.63	90.83
Unsecured deposits from members - others	12.07	6.87
Current maturities of long term debt (refer note (ii) below)	295.35	380.25
Current maturities of hire purchase loans (refer note (ii) below)	26.36	29.81
Current maturities of unsecured deposits from members - related parties (refer note 44)	20.00	20.00
Current maturities of unsecured deposits from members - others	68.13	61.17
Current maturities of unsecured inter corporate deposits	75.00	-
Current maturities of unsecured loans and advances from related parties (refer note 44)	75.00	-
Total	**2,519.86**	**2,052.18**

(i) The interest rate on the cash credit ranges between 12.10% to 13.10% (March 31, 2021 - 12.10% to 13.10%). Refer note 3a(i) for details of security.
(ii) Refer note under non-current borrowings for details of security and terms of repayment.

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

26 Trade payables

	June 30,2021	March 31, 2021
Outstanding dues to micro, small and medium enterprises	-	-
Outstanding dues to creditors other than micro, small and medium enterprises	3,014.84	3,336.02
	3,014.84	**3,336.02**

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 June 30, 2021 (March 31, 2021: Nil). Further, the Group 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

27 Finance lease liabilities (current)

	June 30,2021	March 31, 2021
Current maturities of finance lease obligation		
Lease liabilities (refer note 45)	121.03	120.13
Total	**121.03**	**120.13**

28 Other financial liabilities (current)

	June 30,2021	March 31, 2021
Unclaimed dividend	19.84	19.84
Interest accrued but not due on deposits from members		
- From related parties	0.47	0.48
- From others	2.42	0.82
Interest accrued but not due on borrowings	0.21	1.37
Payable to employees	219.47	227.55
Total	**242.41**	**250.06**

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

29 Other current liabilities

	June 30,2021	March 31, 2021
Statutory liabilities	74.69	63.04
Advances received from customers	403.75	329.51
Deferred revenue	87.22	70.80
Others	140.05	151.90
Total	**705.71**	**615.25**

30 Provisions (current)

	June 30,2021	March 31, 2021
Provision for compensated absences	119.14	116.15
Provision for differential sales tax	13.52	13.52
Other provisions	70.24	69.24
Total	**202.90**	**198.91**

31 Current tax liabilities

	June 30,2021	March 31, 2021
Provision for income taxes (net of advance taxes)	67.04	95.11
Total	**67.04**	**95.11**

Breakup of financial liabilities

	June 30,2021	March 31, 2021
At amortised cost		
Non current borrowings	1,234.69	1,077.96
Current borrowings	2,519.86	2,052.18
Trade Payables	3,014.84	3,336.02
Other non-current and current financial liabilities	243.44	250.89
Total financial liabilities carried at amortised cost	**7,012.83**	**6,717.05**

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

32 Revenue from contracts with customers

	For the period ended June 30, 2021	For the period ended June 30, 2020
Sale of Products		
Finished goods	2,773.79	1,311.31
Traded goods	269.45	79.38
Sale of services	385.82	178.67
Other operating revenue		
Scrap sales	12.25	3.30
Total revenue from operations	**3,441.31**	**1,572.66**

Disaggregated revenue information

Reconciliation of the revenue from contract with customers with the amounts disclosed in the segment information (Note 43)

Particulars	For the period ended June 30, 2021	For the period ended June 30, 2020
Insulation	3,171.86	1,493.28
Trading	269.45	79.38
Total revenue from contracts with customers	**3,441.31**	**1,572.66**

Timing of revenue recognition

	For the period ended June 30, 2021	For the period ended June 30, 2020
Goods transferred at a point in time	3,055.49	1,393.99
Services transferred over time	385.82	178.67
	3,441.31	**1,572.66**

Contract balances

	As at June 30, 2021	As at March 31, 2021
Trade receivables	2,840.99	3,218.36
Contract assets	-	-
Contract liabilities	403.75	329.51

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).

Set out below is the amount of revenue recognised from:

	As at June 30, 2021	As at March 31, 2021
Amounts included in contract liabilities at the beginning of the year	329.51	245.15
Performance obligations satisfied in previous years/ periods	-	-

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

Due to Group's nature of business and the type of contracts entered with the customers, the Group 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.

33 Other income

	For the period ended June 30, 2021	For the period ended June 30, 2020
Rental income from operating leases	4.41	7.84
Foreign exchange fluctuation (net)	2.68	-
Liabilities no longer required written back	23.63	-
Other non-operating income	30.65	0.11
Total	**61.37**	**7.95**

34 Finance income

	For the period ended June 30, 2021	For the period ended June 30, 2020
Interest Income on		
- Bank Deposits	4.54	3.08
- Others	0.18	0.06
Total	**4.72**	**3.14**

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

35 Cost of raw material and components consumed

	For the period ended June 30, 2021	For the period ended June 30, 2020
Inventory at the beginning of the year	746.39	548.27
Add: Purchases	2,323.13	707.15
	3,069.52	**1,255.42**
Less : Inventory at the end of the year	788.86	518.57
Cost of raw material and components consumed	**2,280.66**	**736.85**

36 Purchase of traded goods

	For the period ended June 30, 2021	For the period ended June 30, 2020
Stock-in-trade - Motors	249.27	56.39
Total	**249.27**	**56.39**

37 Changes in inventories of finished goods, work-in-progress and traded goods

	For the period ended June 30, 2021	For the period ended June 30, 2020
Opening stock		
Finished goods	572.73	585.20
Work-in-Progress	98.07	101.03
Stock-in-trade	215.87	218.62
	886.67	**904.85**
Closing stock		
Finished goods	669.22	494.51
Work-in-Progress	163.06	92.92
Stock-in-trade	257.63	213.28
	1,089.91	**800.71**
Decrease/ (increase) in inventories of finished goods, work-in-progress and	**(203.24)**	**104.14**

38 Employee benefits expense

	For the period ended June 30, 2021	For the period ended June 30, 2020
Salaries, allowances and wages	292.06	284.32
Contribution to provident fund and other funds	37.36	22.73
Gratuity expense	2.67	8.58
Staff welfare expenses	15.99	15.59
Total	**348.08**	**331.22**

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 Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

39 Depreciation and amortisation expense

	For the period ended June 30, 2021	For the period ended June 30, 2020
Depreciation of property, plant and equipment	109.55	113.92
Amortization of intangible assets	5.79	5.60
Depreciation of Right-of-use assets (refer note 45)	33.57	32.09
Total	**148.91**	**151.61**

40 Finance costs

	For the period ended June 30, 2021	For the period ended June 30, 2020
Interest expense on		
Term loans and working capital loans	63.09	74.41
On deposits from members and other deposits	35.19	35.02
On hire purchase contracts	1.25	1.27
Delayed payment of Income Tax	0.97	0.67
Lease liabilities	4.80	7.96
Other Borrowing Costs #	15.19	5.54
Total	**120.49**	**124.87**

Other borrowing cost includes loan processing charges, guarantee charges, loan facilitation charges and other ancillary costs incurred in connection with borrowings.

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

41 Other expenses

	For the period ended June 30, 2021	For the period ended June 30, 2020
Consumption of stores and spares	27.61	15.37
Service charges	115.59	98.09
Power and fuel	191.38	96.12
Repairs & maintenance		
Plant and machinery	8.71	2.57
Buildings	1.71	1.62
Furniture and equipment	2.19	2.12
Rent	8.97	0.61
Rates and taxes	4.28	2.40
Advertising and sales promotion	0.24	0.20
Vehicle maintenance	6.58	3.33
Insurance	23.42	25.55
Printing and stationery	0.35	0.29
Consultancy and other professional charges	28.83	10.49
Travelling and conveyance	9.25	4.78
Communication expenses	4.38	4.95
Allowance for credit loss	-	99.59
Bad debts written off	-	9.42
Freight and forwarding charges	67.33	32.66
Donations	0.02	2.00
Sitting fees paid to Directors	3.45	2.70
Bank charges	2.20	0.04
Net loss on foreign currency transactions and translation	-	0.42
Miscellaneous expenses	43.26	7.11
Total	**549.75**	**422.43**

Payment to auditor (included under consultancy and other professional charges)		
As auditor		
-Limited review	3.00	3.00
Total	**3.00**	**3.00**

42 Other comprehensive income (OCI)

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

	For the period ended June 30, 2021	For the period ended June 30, 2020
FVTOCI reserve		
Gain/(loss) on equity instruments through OCI	0.38	0.17
Deferred tax effect on the gain/(loss) on equity instruments through OCI	(0.10)	(0.04)
Re-measurement gains / (losses) on defined benefit plans	(4.84)	1.46
Deferred tax effect on remeasurement costs on net defined benefit liability	1.22	(0.38)
Total	**(3.34)**	**1.21**

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

43 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.

For the Period ended June 30, 2021

Particulars	Insulation	Trading	Total
Revenue	3,171.86	269.45	3,441.31
Segment result	214.98	21.99	236.97
Less: Finance costs			(120.49)
Less: Unallocable corporate expenses (net of income)			(103.00)
Profit before taxes			**13.48**
Less: Tax expenses			(6.10)
Net profit for the year			**7.38**
As at period ended June 30, 2021			
Segment assets	10,417.05	396.96	10,814.01
Unallocable assets			1,420.67
Total Assets			**12,234.68**
Segment liabilities	4,890.76	167.10	5,057.86
Unallocable liabilities			3,224.40
Total liabilities			**8,282.26**

For the Period ended June 30, 2020

Particulars	Insulation	Trading	Total
Revenue	1,493.28	79.38	1,572.66
Segment result	(83.43)	(22.46)	(105.89)
Less: Finance costs			(124.87)
Less: Unallocable corporate expenses (net of income)			(113.00)
Profit before taxes			**(343.76)**
Less: Tax expenses			16.11
Net profit for the year			**(327.65)**

As at year ended March 31, 2021

Particulars	Insulation	Trading	Total
Segment assets	10,627.74	487.50	11,115.24
Unallocable assets			1,193.33
Total Assets			**12,308.57**
Segment liabilities	5,498.50	93.75	5,592.25
Unallocable liabilities			2,767.94
Total liabilities			**8,360.19**

Capital expenditure

Particulars	As at June 30, 2021	As at March 31, 2021
Insulation	27.02	211.42
Trading	-	-
Unallocable	-	2.30
Total	**27.02**	**213.72**

Depreciation/ amortisation

Particulars	Period ended June 30, 2021	Period ended June 30, 2020
Insulation	102.17	105.96
Trading	7.38	7.96
Unallocable	39.36	37.69
Total	**148.91**	**151.61**

Revenue from external customers

Particulars	Period ended June 30, 2021	Period ended June 30, 2020
India	3,441.31	13,225.21
Outside India	-	-

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

Non current assets

Particulars	As at June 30, 2021	As at March 31, 2021
India	5,233.53	5,355.91
Outside India	-	-

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

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

44 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. Lalithamaba 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
	Ms. T Anantha Jothi - Company Secretary (till April 30, 2021)
	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

Related party transactions for the period ended June 30, 2021

Particulars	Affiliates	Key Managerial Personnel & their Relatives
Transactions during the period		
Lease rent income	1.20	-
Lease rent expense	13.80	-
Managerial remuneration paid*		
Mr. Amrith Anumolu	-	8.75
Mr. V V Sridharan	-	4.65
Mr. K Murali	-	2.01
Ms. T Anantha Jothi	-	1.02
Sitting fees & conveyance charges paid to Directors		
Mr. Amrith Anumolu	-	0.60
Mrs. Jayasree Anumolu	-	0.60
Mr. Gowrishanker	-	0.80
Mr. V J Singh	-	0.80
Mr. Gurram Jagannathan Reddy	-	0.80
Mr. A V Ram Mohan	-	1.00
Finance cost during the year on loans		
Mr. V J Singh	-	0.21
Mr. Amrith Anumolu	-	0.24
Mrs. Jayasree Anumolu	-	11.22
Mrs. Lalithamaba Panda	-	0.83
Mr. Bharat Anumolu	-	2.18
Mrs. S N Radha	-	0.21
Ms. T Anantha Jothi	-	0.04
Balance outstanding as at June 30, 2021		
Trade receivable	2.40	-
Trade payables	0.04	-
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
Interest accrued on unsecured loan from Mr. V J Singh	-	0.21
Interest accrued on Public Deposit - Mrs. S.N.Radha	-	0.47

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

Related party transactions for the period ended June 30, 2020

Particulars	Affiliates	Key Managerial Personnel & their Relatives
Transactions during the period		
Lease rent income	1.20	-
Lease rent expense	12.00	-
Managerial remuneration paid*		
Mr. Amrith Anumolu	-	2.01
Mr. V V Sridharan	-	2.38
Mr. K Murali	-	5.95
Ms. T Anantha Jothi	-	1.42
Sitting fees & conveyance charges paid to Directors		
Mr. Amrith Anumolu	-	0.80
Mrs. Jayasree Anumolu	-	0.40
Mr. Gowrishanker	-	0.80
Mr. V J Singh	-	0.60
Mr. Gurram Jagannathan Reddy	-	0.40
Mr. A V Ram Mohan	-	0.60
Unsecured Loan repaid		
Mr. Amrith Anumolu	-	3.00
Mr. Gowrishanker	-	170.00
Finance cost during the year on loans		
Mr. Bharat Anumolu	-	2.20
Mr. V J Singh	-	0.21
Mr. Amrith Anumolu	-	0.45
Mr. Gowrishanker	-	-
Mrs. Jayasree Anumolu	-	3.78
Mrs. Lalithamaba Panda	-	2.63
Mrs. S N Radha	-	0.13
Balance outstanding as at March 31, 2021		
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

*As the future liabilities of gratuity and leave encashment are provided on actuarial basis for the Group as a whole, the amounts pertaining to key managerial personnel is not separately ascertainable and therefore not included above.

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 period ended June 30, 2021 and March 31, 2021, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (refer note 12).

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

45 Leases

Company 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**
As at April 1, 2020	**378.24**	**891.56**	**1,269.80**
Additions	13.75	11.37	25.12
Depreciation expense	(120.07)	(16.60)	(136.67)
As at March 31, 2021	**271.92**	**886.33**	**1,158.25**
Additions	-	-	-
Depreciation expense	(29.40)	(4.17)	(33.57)
As at June 30, 2021	**242.52**	**882.16**	**1,124.68**

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

	As at June 30, 2021	**As at March 31, 2021**
As at April 1	**299.85**	**395.69**
Additions	-	13.75
Accretion of interest	4.80	28.16
Payments	(34.83)	(137.75)
As at March 31	**269.82**	**299.85**
Current	121.03	120.13
Non-current	148.79	179.72

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

The following are the amounts recognised in profit or loss:

	Period ended June 30, 2021	**Period ended June 30, 2020**
Depreciation expense of right-of-use assets	33.57	32.09
Interest expense on lease liabilities	4.80	7.96
Expense relating to short-term leases and leases of low-value assets (included in other expenses - Rent)	8.97	0.61
Total amount recognised in profit or loss	**47.34**	**40.66**

The Group had total cash outflows for leases of Rs. 34.83 during the period ended June 30, 2021 (Rs. 34.16 in June 30, 2020).

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

46 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, 2021 : Rs.Nil).

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 46b(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.

	June 30, 2021	March 31, 2021
(a) Claims against the Group not acknowledged as debts	23.69	23.69
(b) Sales tax demands against which the Group has filed appeals	611.09	611.09

Particulars	June 30, 2021	March 31, 2021	Period to which the amount relates	Forum where dispute is pending
Under Sales Tax Acts of various states			1995-96 2000-01 2001-02 2003-04 2015-16	Deputy Commissioner, Assistant Commissioner & other appellate authorities
Amount under dispute	16.93	16.93		
Amount paid	1.92	1.92		
Net Amount	**15.01**	**15.01**		
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	594.16		
Amount paid	58.15	58.15		
Net Amount	**536.01**	**536.01**		

Based on its evaluation (including expert advice obtained wherever applicable), the Company believes there it has a is 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 restated consolidated summary 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 financial effect on financial statements for the period ended June 30, 2021.

47 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.

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

	For the period ended 30-Jun-2021	For the period ended 30-Jun-2020
Profit/(loss) available for equity shareholders	7.38	(327.65)
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.)	0.03	(1.17)
- Diluted (Rs.)	0.03	(1.17)

48 Significant accounting judgements, estimates and assumptions

The preparation of interim condensed consolidated 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 Group's accounting policies, management has not made any judgement, which has significant effect on the amounts recognised in the interim condensed consolidated 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 interim condensed consolidated 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.

(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 June 30, 2021 is Rs. 2,840.99 (March 31, 2021 - Rs. 3,218.36). 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.

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

49 Fair value measurements

The carrying value of financial instruments by categories is as follows

Particulars	Carrying value		Fair value	
	June 30, 2021	March 31, 2021	June 30, 2021	March 31, 2021
Financial assets				
Other investments	43.95	37.06	53.08	45.81
Trade receivables	2,840.99	3,218.36	2,840.99	3,218.36
Cash and cash equivalents	351.37	158.95	351.37	158.95
Bank balances other than cash and cash equivalents	367.54	367.30	367.54	367.30
Loans	51.59	45.31	51.59	45.31
Other financials assets	210.67	206.81	210.67	207.44
Total	**3,866.11**	**4,033.79**	**3,875.24**	**4,043.17**
Financial liabilities				
Borrowings	3,754.55	3,540.20	3,609.39	3,361.33
Lease liabilities	269.82	299.85	269.82	299.85
Trade payables	3,014.84	3,336.02	3,014.84	3,336.02
Other financial liabilities	243.44	250.89	243.44	250.89
Total	**7,282.65**	**7,426.96**	**7,137.49**	**7,248.09**

50 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 June 30, 2021:

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Asset measured at fair value:				
Equity Investments at fair value through OCI				
Unquoted instruments	52.00	-	-	52.00
Quoted instruments	1.08	1.08	-	-
Derivative instrument not designated as hedge at fair value through profit or loss				
Foreign exchange forward contracts	-	-	-	-

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

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Asset measured at fair value:				
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	-

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.

51 Prior period comparatives

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

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: October 25, 2021

For and on behalf of the Board of Directors
Beardsell Limited

Amrith Anumolu
Executive Director
DIN:03044661
Place: Hyderabad

V J Singh
Director
DIN:03129164
Place: Tirunelveli

V V Sridharan
Chief Financial Officer
Place: Chennai
Date: October 25, 2021

K Murali
Company Secretary
Place: Chennai
Date: October 25, 2021

Independent Auditors' Examination Report on the Restated Consolidated Summary Statement of Assets and Liabilities as at March 31, 2021, 2020 and 2019 and Restated Consolidated Summary Statements of Profit and Loss (including Other Comprehensive Income), Restated Consolidated Statement of Changes in Equity and Restated Summary Cash Flows for the years ended March 31, 2021, 2020 and 2019, the consolidated summary statement of Significant accounting policies, and other explanatory information of Beardsell Limited (collectively, the "Restated Consolidated Summary Statements")

The Board of Directors,
Beardsell Limited
#47, Greams road,
Chennai – 600 006.

Dear Sirs,

1. We, S.R. Batliboi & Associates LLP ("we", "us" or "SRBA") have examined the attached Restated Consolidated Summary Statements of Beardsell Limited (the "Company" or the "issuer"), Sarovar Insulation Private Limited ("Subsidiary") and Saideep Polytherm ("Controlled entity") (the Company, its Subsidiary and Controlled entity together referred to as the "Group" and the Subsidiary and Controlled entity together referred to as the "Components") as at March 31, 2021, 2020 and 2019 and for the years ended March 31, 2021, 2020 and 2019, annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Letter of Offer ("DLOF") and Letter of Offer ("LOF"), in connection with its proposed Rights issue of equity shares of the Company of face value of Rs.2 each ("Proposed Rights issue"). The Restated Consolidated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared by the Company in accordance with the requirements of:

    a) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and

    b) The Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note")

Management's Responsibility for the Restated Consolidated Summary Statements

2. The preparation of Restated Consolidated Summary Statements, which are to be included in the DLOF and LOF, is the responsibility of the Board of Directors of the Company, for the purpose set out in Paragraph 12 below. The Restated Consolidated Summary Statements have been prepared by the management of the Company on the basis of preparation stated in paragraph 2.1 of Annexure VI to the Restated Consolidated Summary Statements. The Management's responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Consolidated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Act, the ICDR Regulations and the Guidance Note. The Board of Directors of the Subsidiary and partners of the Controlled entity (as applicable) are also responsible for identifying and ensuing that the Subsidiary/ Controlled entity complies with the Act, ICDR Regulations and the Guidance Note, as may be applicable.

Auditors' Responsibilities

3. We have examined such Restated Consolidated Summary Statements taking into consideration:

    a) The terms of reference and our engagement agreed with you vide our engagement letter dated September 08, 2021, requesting us to carry out work on such Restated Consolidated Summary Statements, proposed to be included in the DLOF of the Company in connection with the Company's Proposed Rights issue;

    b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India

c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Summary Statements; and

d) Applicable provisions of the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Rights issue.

Restated Consolidated Summary Statements

4. The Restated Consolidated Summary Statements have been compiled by the management from the audited consolidated Ind AS financial statements of the Group as at and for the years ended March 31, 2021, 2020 and 2019, which were prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as “Ind AS”), and have been approved by the Board of Directors at their meetings held on June 30, 2021, June 29, 2020 and May 24, 2019 respectively.

5. For the purpose of our examination, we have relied on Independent Auditor’s Reports issued by us dated June 30, 2021, June 29, 2020 and May 24, 2019 on the consolidated financial statements of the Group as at and for the years ended March 31, 2021, 2020 and 2019, respectively, as referred in Paragraph 4 above.

6. As indicated in our audit reports referred in Paragraph 5 above, we did not audit the financial statements of subsidiary and controlled entity as listed in Annexure A, as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, whose share of total assets, total revenues, net cash inflows in the consolidated financial statements, for the relevant years is tabulated below, which have been audited by M/s A V Subba Rao & Co and M/s Shraddha Nikhil K & Co, respectively (together referred as the “Other Auditors”), and whose reports have been furnished to us by the Company’s management and our opinion on the historical consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and the controlled entity, was based solely on the reports of the other auditors. Our opinion on the audited consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and controlled entity, is based solely on the reports of such Other Auditors.

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Total Assets	3,974.17	4,174.77	4,192.34
Total Revenue	2,562.47	3,188.00	4,147.70
Net cash inflow/ (outflow)	(3.65)	(18.49)	2.21

Our audit opinions on the consolidated financial statements of the group as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 were not qualified for the above matter.

The Other Auditors as mentioned above, have examined the restated financial information of the subsidiary and the controlled entity included in these Restated Consolidated Summary Statements and have confirmed that the restated financial information of the Components:

(i) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2020 and March 31, 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed for the year ended March 31, 2021.

(ii) do not contain any qualifications requiring adjustments; and

(iii) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7. Based on our examination, in accordance with the ICDR Regulations and the Guidance Note, and according to the information and explanations given to us and also as per the reliance placed on the examination reports of Components submitted by the Other Auditors for the respective years, we report that:

   i) The Restated Consolidated Summary Statements have been prepared after incorporating adjustments for the changes in accounting policies, any material errors, as more fully described in Annexure V - "Statement of Material Restatement Adjustments and Regrouping" included in the Restated Consolidated Summary Statements, retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

   ii) Restated Consolidated Summary Statements have been prepared after incorporating adjustments and regroupings for the material amounts in the respective financial years to which they relate, as more fully described in Annexure V - "Statement of Material Restatement Adjustments and Regrouping" included in the Restated Consolidated Summary Statements

   iii) There are no qualifications in the auditors' reports on the audited consolidated financial statements of the Group as at and for the years ended March 31, 2021, 2010 and 2019.

   iv) Emphasis of matter paragraphs included in the auditors' report on the consolidated financial statements as at and for the years ended March 31, 2021 and March 31, 2020, which does not require any corrective adjustment in the Restated Consolidated Summary Statements, are as follows:

   Emphasis of Matter - March 31, 2021

   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.

   Emphasis of Matter – March 31, 2020

   We draw attention to Note 2.2 of the Consolidated Ind AS financial statements which describes the 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, 2020.

   Our opinion is not modified in respect of this matter.

   v) Restated Consolidated Summary Statements have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. We have not audited any financial statements of the Group as of any date or for any period subsequent to March 31, 2021. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Group as of any date or for any period subsequent to March 31, 2021.

9. The Restated Consolidated Summary Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in Paragraph 5 above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the management for inclusion in the DLOF and LOF to be filed with Securities and Exchange Board of India, BSE Limited, and National Stock Exchange of India Limited in connection with the Proposed Rights issue of the Company. Our report should not be used, referred to or distributed for any other purpose.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W / E300004

Aravind K
Partner
Membership Number: 221268
UDIN: 21221268AAAAFZ4063
Place of Signature: Chennai
Date: October 25, 2021

Annexure A

Details of Subsidiary and Controlled entity audited by other auditors

Name of the entity	Relationship	Name of the audit firm	Period audited by other auditors
Sarovar Insulation Private Limited	Subsidiary	M/s A V Subba Rao & Co	As at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019.
Saideep Polytherm	Controlled entity	M/s Shraddha Nikhil K & Co	As at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019.

Beardsell Limited
Annexure I - Restated Consolidated Summary of Assets and Liabilities
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	March 31, 2021	March 31, 2020	March 31, 2019
ASSETS				
Non current assets				
Property, plant and equipment	**3**	4,073.43	4,316.12	4,247.83
Capital work in progress	**3**	63.10	124.14	113.78
Goodwill	**4a**	242.12	242.12	242.12
Other intangible assets	**4b**	61.13	81.51	10.50
Right-of-use assets	**49**	1,158.25	1,269.80	1,461.61
Intangible assets under development	**4b**	-	-	84.40
Financial assets				
Investments	**5**	45.81	50.85	51.29
Loans	**6**	148.10	114.32	111.97
Trade receivables	**7**	34.82	24.78	34.01
Bank balances other than cash and cash equivalents	**8**	280.40	180.11	228.75
Non-current tax assets (net)	**9**	23.76	27.64	88.20
Deferred tax assets (net)	**24**	62.29	-	-
Other non-current assets	**10**	0.84	11.33	7.69
		6,194.05	**6,442.72**	**6,682.15**
Current assets				
Inventories	**11**	1,717.28	1,527.41	1,383.68
Financial assets				
Trade receivables	**12**	3,183.54	3,318.75	3,875.88
Cash and cash equivalents	**13**	158.95	76.26	324.54
Bank Balances other than cash and cash equivalents	**14**	86.90	85.62	83.99
Loans	**15**	103.07	111.51	123.79
Others	**16**	1.58	77.46	2.81
Other current assets	**17**	863.20	879.52	723.99
		6,114.52	**6,076.53**	**6,518.68**
Total assets		**12,308.57**	**12,519.25**	**13,200.83**
EQUITY and LIABILITIES				
Equity				
Equity share capital	**18**	561.98	561.98	561.98
Other equity	**19**	3,386.40	3,469.04	3,460.96
Equity attributable to equity holders of the parent		**3,948.38**	**4,031.02**	**4,022.94**
Non-controlling interests		-	-	-
Total equity		**3,948.38**	**4,031.02**	**4,022.94**
Liabilities				
Non current liabilities				
Financial liabilities				
Borrowings	**20**	1,488.02	876.98	609.60
Lease liabilities	**21**	179.72	286.07	323.69
Other financial liabilities	**22**	0.83	0.85	2.03
Provisions	**23**	23.96	22.27	19.31
Deferred tax liabilities (net)	**24**	-	16.11	178.89
		1,692.53	**1,202.28**	**1,133.52**
Current liabilities				
Financial liabilities				
Borrowings	**25**	1,560.95	2,278.08	3,124.04
Trade payables	**26**			
Total outstanding dues of micro, small and medium enterprises		-	-	-
Total outstanding dues of creditors other than micro, small and		3,336.02	3,361.59	3,558.86
Lease liabilities	**27**	120.13	109.62	113.76
Other financial liabilities	**28**	741.29	646.00	426.53
Other current liabilities	**29**	615.25	558.41	652.90
Provisions	**30**	198.91	173.94	168.28
Current tax liabilities (net)	**31**	95.11	158.31	-
		6,667.66	**7,285.95**	**8,044.37**
Total equity and liabilities		**12,308.57**	**12,519.25**	**13,200.83**
Summary of significant accounting policies	**2.4**			

The accompanying notes are an integral part of the restated consolidated summary 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: October 25, 2021

For and on behalf of the Board of Directors
Beardsell Limited

Amrith Anumolu
Executive Director
DIN:03044661
Place: Hyderabad

V J Singh
Director
DIN:03129164
Place: Tirunelveli

V V Sridharan
Chief Financial Officer
Place: Chennai

K Murali
Company Secretary
Place: Chennai

Date: October 25, 2021

Date: October 25, 2021

Beardsell Limited

Annexure II - Restated Consolidated Summary Statement of Profit and Loss

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

		Notes	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
I.	**Income**				
	Revenue from contracts with customers	**32**	13,225.21	16,073.68	19,307.67
	Other income	**33**	72.57	58.35	59.82
	Finance income	**34**	17.71	39.52	19.70
	Total income		**13,315.49**	**16,171.55**	**19,387.19**
II.	**Expenses**				
	Cost of raw material and components consumed	**35**	7,309.23	8,901.21	11,496.21
	Purchase of traded goods	**36**	1,002.47	1,226.62	1,910.46
	Changes in inventories of finished goods, work-in-progress and traded goods	**37**	18.18	(137.78)	2.07
	Employee benefits expense	**38**	1,464.11	1,756.98	1,815.38
	Depreciation and amortisation expense	**39**	606.92	625.16	551.00
	Finance costs	**40**	526.83	640.99	633.02
	Other expenses	**41**	2,354.63	3,100.85	3,047.84
	Total expenses		**13,282.37**	**16,114.03**	**19,455.98**
	Restated profit/(loss) before exceptional items and tax		**33.12**	**57.52**	**(68.79)**
	Exceptional items	**42**	-	69.35	-
	Restated profit/(loss) before tax		**33.12**	**126.87**	**(68.79)**
	Tax expense	**45**			
	Current tax		130.50	200.00	22.58
	Adjustment of tax relating to earlier periods		33.20	-	-
	Deferred tax		(90.25)	(155.06)	(5.07)
	Total tax expense		**73.45**	**44.94**	**17.51**
	Restated profit/(loss) for the year		**(40.33)**	**81.93**	**(86.30)**
	Other comprehensive income (OCI)	**43**			
	Items not to be reclassified to profit or loss in subsequent periods				
	Gain/(loss) on equity instruments through OCI		0.35	(0.69)	(0.32)
	Income tax effect		(0.09)	0.17	0.09
	Re-measurement gains / (losses) on defined benefit plans		(19.34)	(4.32)	(13.46)
	Income tax effect		4.87	1.09	3.74
	Other comprehensive income for the year, net of tax		**(14.21)**	**(3.75)**	**(9.95)**
	Total comprehensive income for the year, net of tax		**(54.54)**	**78.18**	**(96.25)**
	Earnings Per Equity Share Rs. 2/- each fully paid (March 31, 2020: Rs. 2/- each fully paid)	**44**			
	Computed on the basis of total restated profit/(loss) for the year				
	Basic (Rs.)		(0.14)	0.29	(0.31)
	Diluted (Rs.)		(0.14)	0.29	(0.31)
	Summary of Significant Accounting Policies	**2.4**			

The accompanying notes are an integral part of the restated consolidated summary statements

As per our report of even date

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

For and on behalf of the Board of Directors
Beardsell Limited

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

Amrith Anumolu
Executive Director
DIN:03044661
Place: Hyderabad

V J Singh
Director
DIN:03129164
Place: Tirunelveli

V V Sridharan
Chief Financial Officer
Place: Chennai

K Murali
Company Secretary
Place: Chennai

Date: October 25, 2021

Date: October 25, 2021

Date: October 25, 2021

Beardsell Limited
Annexure III - Restated Consolidated Summary Statement of Changes in Equity
(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; March 31, 2019: Rs.2/- each), subscribed and fully paid up	Number of shares	Rs. In Lakhs
As at April 1, 2018	**28,099,008**	**561.98**
Increase/(decrease) during the year	-	-
As at March 31, 2019	**28,099,008**	**561.98**
Increase/(decrease) during the year	-	-
At March 31, 2020	**28,099,008**	**561.98**
Increase/(decrease) during the year	-	-
At March 31, 2021	**28,099,008**	**561.98**

b. Other Equity

Particulars	Reserves and surplus			Items of OCI	Total
	Securities premium (Note 19)	General Reserve (Note 19)	Retained earnings (Note 19)	FVTOCI reserve (Note 19)	
As at April 1, 2018	**555.65**	**484.61**	**2,511.39**	**5.56**	**3,557.21**
Restated profit/ (loss) for the year	-	-	(86.30)	-	(86.30)
Other comprehensive income (Note 43)	-	-	(9.72)	(0.23)	(9.95)
Total Comprehensive Income	**555.65**	**484.61**	**2,415.37**	**5.33**	**3,460.96**
Cash dividends (including dividend distribution tax)	-	-	-	-	-
As at March 31, 2019	**555.65**	**484.61**	**2,415.37**	**5.33**	**3,460.96**
Ind AS 116 transition adjustment (Refer note 1.1(i) of Annexure V)	-	-	11.20	-	**11.20**
As at April 1, 2019	**555.65**	**484.61**	**2,426.57**	**5.33**	**3,472.16**
Restated profit/ (loss) for the year	-	-	81.93	-	81.93
Other comprehensive income (Note 43)	-	-	(3.23)	(0.52)	(3.75)
Total Comprehensive Income	**555.65**	**484.61**	**2,505.27**	**4.81**	**3,550.34**
Cash dividends (including dividend distribution tax)	-	-	(81.30)	-	(81.30)
As at March 31, 2020	**555.65**	**484.61**	**2,423.97**	**4.81**	**3,469.04**
Restated profit/ (loss) for the year	-	-	(40.33)	-	(40.33)
Other comprehensive income (Note 43)	-	-	(14.47)	0.26	(14.21)
Total Comprehensive Income	**555.65**	**484.61**	**2,369.17**	**5.07**	**3,414.50**
Cash dividends	-	-	(28.10)	-	(28.10)
As at March 31, 2021	**555.65**	**484.61**	**2,341.07**	**5.07**	**3,386.40**

The accompanying notes are an integral part of the restated consolidated summary 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: October 25, 2021

For and on behalf of the Board of Directors
Beardsell Limited

Amrith Anumolu
Executive Director
DIN:03044661
Place: Hyderabad

V J Singh
Director
DIN:03129164
Place: Tirunelveli

V V Sridharan
Chief Financial Officer
Place: Chennai

K Murali
Company Secretary
Place: Chennai

Date: October 25, 2021

Date: October 25, 2021

Beardsell Limited
Annexure IV - Restated Consolidated Summary Statement of Cash Flows
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flow from operating activities			
Restated profit/ (loss) before exceptional items and tax	**33.12**	**57.52**	**(68.79)**
Adjustments for			
Depreciation and amortisation expense	606.92	625.16	551.00
Loss/ (gain) on sale of property, plant and equipment (net)	(4.76)	(5.21)	(0.95)
Dividend income	(0.02)	(0.06)	(0.06)
Finance income	(17.71)	(39.52)	(19.70)
Liabilities no longer required written back	(4.42)	(12.85)	-
Allowance for credit loss	81.45	474.12	7.93
Finance costs	526.83	640.99	595.49
Unrealised foreign exchange differences	(12.40)	(5.22)	20.58
Operating profit before working capital changes	**1,209.01**	**1,734.93**	**1,085.50**
Movement in working capital			
(Increase)/ Decrease in inventories	(189.87)	(143.73)	(50.53)
(Increase)/ Decrease in current and non-current trade receivables	43.72	97.46	(118.06)
(Increase) / Decrease in financial and non-financial assets	50.17	(66.13)	27.33
(Increase) / Decrease in other assets	16.32	(155.53)	116.96
(Decrease)/ Increase in trade payables	(8.75)	(180.17)	420.03
(Decrease)/ Increase in financial, non-financial liabilities and provisions	334.66	(139.56)	(93.56)
Cash generated from operations	**1,455.26**	**1,147.27**	**1,387.67**
Income tax paid (net of refunds)	(206.39)	8.48	(44.06)
Net cash flow from operating activities (A)	**1,248.87**	**1,155.75**	**1,343.61**
B. Cash flow used in investing activities			
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(130.55)	(553.34)	(940.58)
Proceeds from sale of property, plant and equipment	11.30	28.80	424.49
Deposits made during the year	(165.29)	-	(95.01)
Proceeds from deposits during the year	65.00	48.14	109.61
Purchase of Investments	-	-	(3.29)
Dividends received	0.02	0.06	0.06
Finance income received	17.65	37.29	19.72
Net cash flow used in investing activities before exceptional items	**(201.87)**	**(439.05)**	**(485.00)**
Cash flow from exceptional items (refer note 42)	-	205.00	-
Net cash flow used in investing activities (B)	**(201.87)**	**(234.05)**	**(485.00)**
C. Net cash flows used in financing activities			
Proceeds from long-term borrowings	953.90	562.50	757.95
Repayment of long-term borrowings	(468.35)	(295.12)	(696.54)
Proceeds/ (repayment) of short - term borrowings (net)	(784.75)	(577.62)	(76.42)
Dividend paid (including dividend distribution tax, where applicable)	(26.82)	(82.43)	13.68
Payment of principal portion of lease liabilities	(109.59)	(131.13)	(98.34)
Interest paid on lease liabities	(28.16)	(36.69)	(37.53)
Interest paid	(500.54)	(609.49)	(554.63)
Net cash flows used in financing activities (C)	**(964.31)**	**(1,169.98)**	**(691.83)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	82.69	(248.28)	166.78
Cash and cash equivalents at the beginning of the year	76.26	324.54	157.76
Cash and cash equivalents at the end of the year	**158.95**	**76.26**	**324.54**
Components of cash and cash equivalents (Refer note 13)			
Cash on hand	9.96	9.92	9.64
Cheques / drafts on hand	-	-	14.08
Balances with banks			
On current accounts	148.99	66.34	300.13
In deposits with original maturity of less than three months	-	-	0.69
Total cash and cash equivalents	**158.95**	**76.26**	**324.54**

The accompanying notes are an integral part of the restated consolidated summary statements

As per our report of even date

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

For and on behalf of the Board of Directors
Beardsell Limited

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

Amrith Anumolu
Executive Director
DIN:03044661
Place: Hyderabad

V J Singh
Director
DIN:03129164
Place: Tirunelveli

V V Sridharan
Chief Financial Officer
Place: Chennai

K Murali
Company Secretary
Place: Chennai

Date: October 25, 2021

Date: October 25, 2021

Date: October 25, 2021

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

1 Material Restatement Adjustments and Regroupings

The Restated Consolidated Summary Statements of the Beardsell Limited ('Holding Company'), its subsidiary ('Sarovar Insulation Private Limited') and controlled entity ('Saideep Polytherm') (together referred to as the "Group") comprise the Restated Consolidated Summary Statement of Assets and Liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019 , the Restated Consolidated Summary Statement of Profit & Loss account (including Other Comprehensive Income), the Restated Consolidated Summary Statement of Changes in Equity and the Restated Consolidated Summary Statement of Cash Flows for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, and the Consolidated summary statement of notes and other explanatory information to the Restated Consolidated Summary Statements (collectively, the "Restated Consolidated Summary Statements"), and have been prepared solely for the purpose of inclusion in the Draft Letter of Offer ("Offer Documents") to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed rights issue of equity shares of Rs. 2 each of the Company (the "Proposed Rights issue"). Refer Annexure VI for details on basis of preparation.

1.1 Material Restatement Adjustments

The accounting policies applied as at and for the years ended March 31, 2020 and March 31, 2019 are consistent with those adopted in the preparation of financial statements for the year ended March 31, 2021. The impact of changes to accounting policy made on account of application of new accounting standard, Ind AS 116 - "Leases", effective April 1, 2019 was restated in the Restated consolidated Consolidated Summary Statements for the year ended March 31, 2019 and required reconciliations are as follows:

Reconciliation of Total Comprehensive Income as per Historical Audited Consolidated Financial Statements with Total Comprehensive Income as per Restated Consolidated Summary Statements

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Total Comprehensive Income (as per audited consolidated financial statements)	**(54.54)**	**78.18**	**(85.05)**
Material Restatement Adjustments			
Impact of Ind AS 116 (Refer Note 1.1 (i) below)			
(Increase)/decrease in total expenses			
Depreciation of right-of-use assets	-	-	(113.47)
Finance cost on lease liability	-	-	(37.53)
Other expenses (rent expense)	-	-	135.87
(Decrease)/increase in profit before tax	-	-	**(15.13)**
Tax Impact on the above adjustments (Refer Note 1.1 (ii) below)	-	-	3.93
	-	-	(11.20)
Total Comprehensive Income as per restated consolidated summary statements	**(54.54)**	**78.18**	**(96.25)**

Reconciliation of Total Equity as per Audited Consolidated Financial Statements with Total Equity as per Restated Consolidated Summary Statements

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Total Equity (as per audited consolidated financial statements)	**3,948.38**	**4,031.02**	**4,034.14**
Material Restatement Adjustments			
Impact of Ind AS 116 (Refer Note 1.1 (i) below)	-	-	(15.13)
Tax Impact on the above adjustments (Refer Note 1.1 (ii) below)	-	-	3.93
Total Equity (as per restated consolidated summary statements)	**3,948.4**	**4,031.0**	**4,022.9**

Reconciliation of Other equity as at March 31, 2019 as per restated consolidated financial information with opening equity balance as at April 1, 2019 (date of transition to Ind AS 116)

Particulars	Amount
Other equity	
Restated balance as at March 31, 2019	3,460.96
Add: Adjustment on account of transition to Ind AS 116 (Refer explanation below)	11.20
Balance as at April 1, 2019 as per audited financial statements for the year ended March 31, 2020	**3,472.16**

Explanation: Cumulative effect of restatement adjustment on total equity upto March 31, 2019 relating to Ind AS 116 (refer note (i) below) has not been carried forward to total equity balance as at April 1, 2019 (date of transition to Ind AS 116) as per the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note")

Notes:
(i) Impact of Ind-AS 116 : Leases

Effective April 1, 2019, the Group adopted Ind AS 116 - "Leases", which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. The Group adopted Ind AS 116 following modified retrospective method in accordance with the policy mentioned in Note 2.4(e) to the Restated Consolidated Summary Statements. For the purpose of preparing the Restated Consolidated Summary Statements, Ind AS 116 has been applied following the Modified Retrospective Method with effect from April 1, 2018 using same accounting policy choices (transition options as per Ind AS 116) as adopted on April 1, 2019 for transition to Ind AS 116. The Group has followed the same accounting policy choices (transition options as per Ind AS 116) as adopted on April 1, 2019 for transition to Ind AS 116, while preparing the Restated Consolidated Summary Statements for each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019.

(ii) Accounting for taxes on income
Deferred tax has been created on temporary differences arising on recognition and measurement of right-of-use asset and lease liability.

1.2 Non-adjusting items

Emphasis of matter paragraphs in auditor's report

Emphasis of matter included in the Auditors' reports on the consolidated financial statements as at and for the years ended March 31, 2021 and March 31, 2020 which do not require any corrective adjustment in the Restated Consolidated Summary Statements are as follows:

a. Emphasis of matter in the auditor's report on the consolidated financial statements as at and for the year ended March 31, 2021:

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.

b. Emphasis of matter in the auditor's report on the consolidated financial statements as at and for the year ended March 31, 2020:

We draw attention to Note 2.2 of the Consolidated Ind AS financial statements which describes the 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, 2020.

Our opinion is not modified in respect of this matter.

1.3 Material regroupings

Appropriate regroupings have been made in the restated consolidated summary statements of assets and liabilities, profit and loss and cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Consolidated Financial Statement of the Group for the year ended March 31, 2021 prepared in accordance with Schedule III of the Companies Act 2013, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the SEBI ICDR regulations, as amended.

1.4 Material errors

There are no material errors that require adjustment in the Restated Consolidated Summary Statements.

1. Corporate information

The Restated Consolidated Summary Statements comprise the Restated Consolidated Summary Statements of the Company, its subsidiary and controlled entity (collectively, the Group) as at and for the years ended March 31, 2019, March 31, 2020 and 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, Supa & Hapur and branches with geographical spread across India. In addition, the Group has trading operations in domestic and international market.

2. Significant accounting policies

2.1. Basis of preparation

The Restated Consolidated Summary Statements of the Group comprise the Restated Consolidated Summary Statement of Assets and Liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019, the Restated Consolidated Summary Statement of Profit & Loss account (including Other Comprehensive Income), the Restated Consolidated Summary Statement of Changes in Equity and the Restated Consolidated Summary Statement of Cash Flows for years ended March 31, 2021, March 31, 2020, and March 31, 2019, and significant accounting policies and other explanatory information to the Restated Consolidated Summary Statements (collectively, the 'Restated Consolidated Summary Statements'), have been prepared solely for the purpose of inclusion in the Draft Letter of Offer ("Offer documents") in connection with proposed Rights issue of equity shares of Rs. 2 each of the Company (the "Proposed Rights issue").

The Restated Consolidated Summary Statements have been approved by the Board of Directors of the Holding Company and have been prepared in all material respects with the requirements of:

a. Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the SEBI ICDR Regulations") issued by the Securities and Exchange Board of India ('SEBI') on September 11, 2018 as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

b. The Guidance Note on Report in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India.

The Restated Consolidated Summary Statements have been compiled from the audited consolidated financial statements of the Group as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 which were prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as "Ind AS"), which have been approved by the Board of Directors at their meetings held on June 30, 2021, June 29, 2020 and May 24, 2019 respectively.

The audited consolidated financial statements of the Group as at and for the year ended March 31, 2018 were prepared in accordance with the Companies (Accounting Standards) Rules 2006 (as amended) specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014 ("Indian GAAP"). The Company has adopted Ind AS Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 1, 2018, with a transition date of April 1, 2017. Opening balances as at April 1, 2018 are as appearing in the Consolidated Audited Financial Statements as at and for the year ended March 31, 2019.

These Restated Consolidated Summary Statements do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited consolidated financial statements mentioned above. These audited consolidated financial statements have been prepared on a going concern basis.

The underlying financial statements as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, mentioned above, are collectively referred as Historical Audited Financial Statements. The Restated Consolidated Summary Statements have been prepared under the historical cost basis, except for certain financial assets and liabilities which are required to be measured at fair value.

The Restated Consolidated Summary Statements are presented in Indian Rupees which is also functional currency of the Holding Company, and its subsidiary and controlled entity and all values are rounded to the nearest lakhs, except when otherwise indicated.

The restated consolidated summary statements were approved for issue in accordance with a resolution of the directors on October 25, 2021.

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 the respective historical audited 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 Restated Consolidated Summary Statements may differ from that estimated as at the date of approval of the respective historical audited financial statements.

2.3. Basis of consolidation

The Restated Consolidated Summary Statements comprise the Restated Consolidated Summary Statements of the Company and its subsidiary and controlled entity as at March 31, 2019, March 31, 2020 and March 31, 2021. 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 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 Restated Consolidated Summary Statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Restated Consolidated Summary 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 Restated Consolidated Summary Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Company member's Restated Consolidated Summary Statements in preparing the Restated Consolidated Summary Statements to ensure conformity with the Company's accounting policies.

The historical 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.

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 Restated Consolidated Summary 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 Restated Consolidated Summary 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 Restated Consolidated Summary 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.

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)
Property, plant and equipment	
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 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.

Transition to Ind AS 116:

For the purpose of preparation of Restated Consolidated Summary Statements, Ind AS 116 has been applied following modified retrospective method with effect from April 1, 2018 using same accounting policy choices (transition options as per Ind AS 116) as adopted on April 1, 2019 in the Audited Consolidated Financial Statements prepared by the Company as at and for the year ended March 31, 2020, upon transition to Ind AS 116.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar characteristics.

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

3. Relied on its previous assessment of whether leases are onerous under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review. There were no onerous contracts as at April 1, 2019.

4. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

5. Used hindsight in determining the lease term if the contract contains options to extend or terminate the lease.

Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, for all the contracts as at April 1, 2019, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

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.

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.

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

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that the asset will be available for use or sale, its intention to complete and its ability and intention to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

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. 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 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 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 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.

<u>**Financial assets**</u>

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)
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
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 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 Restated Consolidated Summary 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, 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) Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.
Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

aa) 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 historical audited 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 Restated Consolidated Summary 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 historical audited financial statements make on the basis of those historical audited 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 historical audited 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 Restated Consolidated Summary Statements of, nor is there expected to be any future impact to 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 Restated Consolidated Summary 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 Restated Consolidated Summary Statements of the Group.

bb) Standards notified but not yet effective

The amendments to standards that are issued up to the date of issuance of the Group's historical audited financial statements, but not yet effective for the periods up to March 31, 2021, are disclosed below. The Group 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 Group will apply these amendments to the extent applicable from the effective date. However, the Group's does not expect any effect due to these amendments on its consolidated financial statements.

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

3 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
Gross block*									
As at April 1, 2018	**530.63**	**692.63**	**3,405.17**	**32.28**	**47.52**	**10.01**	**393.73**	**5,111.97**	**202.18**
Additions	-	10.61	371.98	6.30	3.73	-	57.12	**449.74**	67.62
Disposals	-	-	(16.16)	-	(0.37)	-	(7.67)	**(24.20)**	-
Capitalisation	-	-	-	-	-	-	-	-	(156.02)
As at March 31, 2019	**530.63**	**703.24**	**3,760.99**	**38.58**	**50.88**	**10.01**	**443.18**	**5,537.51**	**113.78**
Additions	-	45.34	406.08	3.62	17.96	-	57.30	**530.30**	259.13
Disposals	-	-	(21.77)	-	-	-	(24.70)	**(46.47)**	-
Capitalisation	-	-	-	-	-	-	-	-	(248.77)
As at March 31, 2020	**530.63**	**748.58**	**4,145.30**	**42.20**	**68.84**	**10.01**	**475.78**	**6,021.34**	**124.14**
Additions	-	22.81	166.99	4.13	1.32	-	16.17	**211.42**	127.56
Disposals	-	-	(12.05)	(2.80)	(2.98)	-	(6.63)	**(24.46)**	-
Capitalisation	-	-	-	-	-	-	-	-	(188.60)
As at March 31, 2021	**530.63**	**771.39**	**4,300.24**	**43.53**	**67.18**	**10.01**	**485.32**	**6,208.30**	**63.10**
Depreciation									
As at April 1, 2018	-	101.97	616.37	18.79	29.25	1.01	110.57	**877.96**	-
Charge for the year	-	33.87	302.26	12.68	7.61	1.14	63.83	**421.39**	-
Disposals	-	-	(6.76)	-	(0.10)	-	(2.81)	**(9.67)**	-
As at March 31, 2019	**-**	**135.84**	**911.87**	**31.47**	**36.76**	**2.15**	**171.59**	**1,289.68**	**-**
Charge for the year	-	39.31	317.12	4.56	9.01	1.76	65.10	**436.86**	-
Disposals	-	-	(8.95)	-	-	-	(12.37)	**(21.32)**	-
As at March 31, 2020	**-**	**175.15**	**1,220.04**	**36.03**	**45.77**	**3.91**	**224.32**	**1,705.22**	**-**
Charge for the year	-	42.05	328.32	4.84	6.93	0.93	64.50	**447.57**	-
Disposals	-	1.83	(8.20)	(2.69)	(2.43)	-	(6.43)	**(17.92)**	-
As at March 31, 2021	**-**	**219.03**	**1,540.16**	**38.18**	**50.27**	**4.84**	**282.39**	**2,134.87**	**-**
Net carrying value									
As at March 31, 2019	**530.63**	**567.40**	**2,849.12**	**7.11**	**14.12**	**7.86**	**271.59**	**4,247.83**	**113.78**
As at March 31, 2020	**530.63**	**573.43**	**2,925.26**	**6.17**	**23.07**	**6.10**	**251.46**	**4,316.12**	**124.14**
As at March 31, 2021	**530.63**	**552.36**	**2,760.08**	**5.35**	**16.91**	**5.17**	**202.93**	**4,073.43**	**63.10**

*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), Bonthapally (1.40 acres), Chennai -Thiruvallur (6.98 acres), Bihar (3.93 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; March 31, 2019: Rs. 164.91). Additions during the year include Rs. 16.17 (March 31, 2020: Rs. 57.30; March 31, 2019: Rs. 33.87) of vehicles under hire purchase contracts. Assets under hire purchase contracts are hypothecated as security for the related hire purchase liabilities.

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

4a Goodwill

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Opening balance at the beginning of the year	**242.12**	**242.12**	**242.12**
Movement during the year	-	-	-
Closing balance at the end of the year	**242.12**	**242.12**	**242.12**
Impairment			
Opening balance at the beginning of the year	-	-	-
Movement during the year	-	-	-
Closing balance at the end of the year	**-**	**-**	**-**
Goodwill as at end of the year	**242.12**	**242.12**	**242.12**

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 (wherever applicable). The discount rate applied to cash flow projections for Impairment testing 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.

4b Intangible assets

Particulars	Software	Total Intangible assets	Intangible assets under development
Gross block			
As at April 1, 2018	-	-	69.25
Additions	11.38	11.38	15.15
Disposals	-	-	-
Capitalisation	-	-	-
As at March 31, 2019	**11.38**	**11.38**	**84.40**
Additions	93.55	93.55	9.15
Disposals	-	-	-
Capitalisation	-	-	(93.55)
As at March 31, 2020	**104.93**	**104.93**	**-**
Additions	2.30	2.30	-
Disposals	-	-	-
Capitalisation	-	-	-
As at March 31, 2021	**107.23**	**107.23**	**-**
Depreciation			
As at April 1, 2018	-	-	-
Charge for the year	0.88	0.88	-
Disposals	-	-	-
As at March 31, 2019	**0.88**	**0.88**	**-**
Charge for the year	22.54	22.54	-
Disposals	-	-	-
As at March 31, 2020	**23.42**	**23.42**	**-**
Charge for the year	22.68	22.68	-
Disposals	-	-	-
As at March 31, 2021	**46.10**	**46.10**	**-**
Net carrying value			
As at March 31, 2019	**10.50**	**10.50**	**84.40**
As at March 31, 2020	**81.51**	**81.51**	**-**
As at March 31, 2021	**61.13**	**61.13**	**-**

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

5 Non-current investments (fully paid up)

	March 31, 2021	March 31, 2020	March 31, 2019
Investments			
(Un-quoted equity instruments at fair value through OCI)			
- 18,000 (March 31, 2020 : 18,000; March 31, 2019 : 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; March 31, 2019 : Rs. 180,000))	-	-	-
- 5,300 (March 31, 2020 : 5,300; March 31, 2019 : 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; March 31, 2019 : Rs. 750,000))	-	-	-
- 6,000 (March 31, 2020 : 6,000; March 31, 2019 : 6,000) equity shares of Rs. 10/- each fully paid up in Sure Energy Systems Private Limited	25.00	25.00	25.00
- 1,000 (March 31, 2020 : 1,000; March 31, 2019 : 1,000) equity shares of Rs. 10/- each fully paid up in Ahmednagar Merchant Co-operative Bank	0.01	0.01	0.01
- 7,500 (March 31, 2020 : 7,500; March 31, 2019 : 5,000) equity shares of Rs. 10/- each fully paid up in Saraswat Co-operative Bank Ltd	0.75	0.75	0.50
- 169,878 (March 31, 2020 : 214,878; March 31, 2019 : 214,878) equity shares of Rs. 10/- each fully paid up in Frontline Power Corporation Limited	19.35	24.75	24.75
Total of un-quoted equity instruments at fair value through OCI (i)	**45.11**	**50.51**	**50.26**
(Quoted equity instruments at fair value through OCI)			
- 1,000 (March 31, 2020 : 1,000; March 31, 2019 : 1,000) equity shares of Rs. 2/- each fully paid up in Nava Bharat Ventures Limited	0.70	0.34	1.03
Total of quoted equity instruments at fair value through OCI (ii)	**0.70**	**0.34**	**1.03**
Total Investments (i) + (ii)	**45.81**	**50.85**	**51.29**

	March 31, 2021	March 31, 2020	March 31, 2019
Aggregate book value of quoted investments	0.70	0.34	1.03
Aggregate market value of quoted investment	0.70	0.34	1.03
Aggregate value of unquoted investments	54.41	59.81	59.56
Aggregate amount of impairment in value of investments	(9.30)	(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 Group. 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.

6 Loans (non-current)

	March 31, 2021	March 31, 2020	March 31, 2019
Loans to employees - secured, considered good	4.57	2.71	0.90
Loans to employees - unsecured, considered good	17.59	4.85	5.67
Security deposits	125.94	106.76	105.40
Total	**148.10**	**114.32**	**111.97**

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.

7 Trade receivables (non-current)
(Unsecured, considered good unless otherwise stated)

	March 31, 2021	March 31, 2020	March 31, 2019
Trade receivables	34.82	24.78	34.01
Total	**34.82**	**24.78**	**34.01**

No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person.

8 Bank balances other than cash and cash equivalents (non-current)

	March 31, 2021	March 31, 2020	March 31, 2019
In earmarked accounts			
Balances held as margin money	280.40	180.11	228.75
Total	**280.40**	**180.11**	**228.75**

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

9 Non-current tax assets (net)

(Unsecured, considered good unless otherwise stated)

	March 31, 2021	March 31, 2020	March 31, 2019
Advance income tax net of provision for tax	23.76	27.64	88.20
Total	**23.76**	**27.64**	**88.20**

10 Other non-current assets

(Unsecured, considered good unless otherwise stated)

	March 31, 2021	March 31, 2020	March 31, 2019
Capital advances	0.84	11.33	7.69
Total	**0.84**	**11.33**	**7.69**

11 Inventories

(Cost or net realisable value whichever is lower)

	March 31, 2021	March 31, 2020	March 31, 2019
Raw materials and packing materials	746.39	548.27	518.27
Work-in-progress	98.07	101.03	73.48
Finished goods	572.73	585.20	459.02
Stock-in-trade (acquired for trading)	215.87	218.62	234.57
Stores and spares	84.22	74.29	98.34
Total	**1,717.28**	**1,527.41**	**1,383.68**

During the year ended March 31, 2021, Rs.12.35 (March 31, 2020 : Rs.24.18; March 31, 2019 : Rs.21.42) was recognised as an expense for inventories carried at net realisable value.

12 Trade Receivables

(Unsecured, considered good unless otherwise stated)

	March 31, 2021	March 31, 2020	March 31, 2019
Trade receivables	3,181.75	3,315.15	3,875.88
Receivables from related parties (Refer note 48)	1.79	3.60	-
Total trade receivables	**3,183.54**	**3,318.75**	**3,875.88**
Trade receivables			
Considered good	3,183.54	3,318.75	3,875.88
Significant increase in credit Risk	28.56	20.82	21.89
Credit impaired	808.56	730.08	309.78
Total trade receivables	**4,020.66**	**4,069.65**	**4,207.55**
Impairment Allowance (allowance for bad and doubtful debts)			
Significant increase in credit Risk	(28.56)	(20.82)	(21.89)
Credit impaired	(808.56)	(730.08)	(309.78)
Total impairment allowance	**(837.12)**	**(750.90)**	**(331.67)**
Total trade receivables (net)	**3,183.54**	**3,318.75**	**3,875.88**

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

Reconciliation of Provision / Impairment for Receivables

	March 31, 2021	March 31, 2020	March 31, 2019
Opening Balance as at beginning of the year	750.90	331.67	314.37
Created during the year (Net)	86.22	419.23	17.30
Closing Balance as at end of the year	**837.12**	**750.90**	**331.67**

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

13 Cash and cash equivalents

	March 31, 2021	March 31, 2020	March 31, 2019
Balances with Banks			
On current accounts	148.99	66.34	300.13
In deposits with original maturity of less than three months	-	-	0.69
Cheques/ drafts on hand	-	-	14.08
Cash on hand	9.96	9.92	9.64
Total	**158.95**	**76.26**	**324.54**

As at 31st March 2021, the Company had undrawn committed borrowing facilities of Rs. 772.38 (31st March 2020 - Rs. 371.65; 31 March 2019 - Rs. 71.59).

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
Non-current Financial liabilities - Borrowings				
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 48)	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 48)	-	125.00	250.00	375.00
Current Financial liabilities - Borrowings				
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 48)	390.75	(125.00)	(178.00)	87.75
Unsecured deposits from members - related parties (refer note 48)	5.00	-	85.83	90.83
Unsecured deposits from members - others	39.55	-	(32.68)	6.87
Current Financial liabilities - Other financial liabilities				
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 48)	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)	-
Total	**3,771.78**	**-**	**(231.58)**	**3,540.20**

Year ended March 31, 2020

Particulars	As at March 31, 2019	Effect of reclassification	Cash inflows/ (outflows)	As at March 31, 2020
Non-current Financial liabilities - Borrowings				
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
Current Financial liabilities - Borrowings				
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
Current Financial liabilities - Other financial liabilities				
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
Total	**4,082.02**	**-**	**(310.24)**	**3,771.78**

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

13 Cash and cash equivalents (continued)

Year ended March 31, 2019

Particulars	As at March 31, 2018	Effect of reclassification	Cash inflows/ (outflows)	As at March 31, 2019
Non-current Financial liabilities - Borrowings				
Indian Rupee loans from banks (Secured)	646.59	(280.13)	-	366.46
Obligations under hire purchase contracts (Secured)	35.34	(23.18)	8.35	20.51
Unsecured deposits from members - related parties (refer note 48)	80.18	-	20.00	100.18
Unsecured deposits from members - others	126.86	(67.81)	63.40	122.45
Unsecured inter corporate deposits	-	-	-	-
Current Financial liabilities - Borrowings				
Cash credit from banks (secured)	2,032.97	-	120.44	2,153.41
Buyer's credit from banks (secured)	135.81	-	(135.81)	-
Unsecured inter corporate deposits	517.00	-	25.00	542.00
Unsecured loans and advances from related parties (refer note 48)	125.31	-	252.52	377.83
Unsecured deposits from members - related parties (refer note 48)	5.00	-	-	5.00
Unsecured deposits from members - others	174.50	-	(128.70)	45.80
Current Financial liabilities - Other financial liabilities				
Current maturities of long term borrowings	147.25	280.13	(188.93)	238.45
Current maturities of hire purchase loans	55.24	23.18	(35.53)	42.89
Current maturities of unsecured deposits from members - related parties (refer note 48)	-	-	-	-
Current maturities of unsecured deposits from members - others	14.98	67.81	(15.75)	67.04
Current maturities of unsecured inter corporate deposits	-	-	-	-
Total	**4,097.03**	**-**	**(15.01)**	**4,082.02**

14 Bank Balances other than cash and cash equivalents

	March 31, 2021	March 31, 2020	March 31, 2019
In earmarked accounts			
Unclaimed dividend accounts*	19.84	18.56	17.43
Others (refer note below)#	67.06	67.06	66.56
Total	**86.90**	**85.62**	**83.99**

* 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)

	March 31, 2021	March 31, 2020	March 31, 2019
Loans to employees - secured, considered good	2.45	1.36	7.54
Loans to employees - unsecured	20.70	18.06	31.19
Security deposits	79.92	92.09	85.06
Total	**103.07**	**111.51**	**123.79**

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.

16 Others current financial assets
(Unsecured, considered good unless stated otherwise)

	March 31, 2021	March 31, 2020	March 31, 2019
Unbilled revenue on projects	-	76.88	-
Interest receivable	0.95	0.58	2.81
Derivative instrument at fair value through profit or loss			
Derivatives not designated as hedges			
Foreign exchange forward contracts	0.63	-	-
Total	**1.58**	**77.46**	**2.81**

Breakup of financial assets

	March 31, 2021	March 31, 2020	March 31, 2019
At amortised cost			
Non-current and current loans	251.17	225.83	235.76
Non-current and current trade receivables	3,218.36	3,343.53	3,909.89
Cash and cash equivalents	158.95	76.26	324.54
Non-current and current Bank balances other than cash and cash equivalents	367.30	265.73	312.74
Other non-current and current financial assets	0.95	77.46	2.81
Total financial assets carried at amortised cost	**3,996.73**	**3,988.81**	**4,785.74**

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

17 Other current assets

(Unsecured, considered good unless otherwise stated)

	March 31, 2021	March 31, 2020	March 31, 2019
Advance paid for jobs in progress			
- Considered good	266.75	262.44	203.13
- Considered doubtful	116.20	120.96	41.57
Advances for supply and services	347.76	324.09	219.80
Prepayments	74.43	71.38	83.70
Balances with Statutory/Government Authorities (net)	57.51	77.03	109.43
Surplus gratuity fund balance (refer note 46)	26.85	33.21	37.08
Other advances	89.90	111.37	70.85
Less: Allowance for credit loss against doubtful advances	(116.20)	(120.96)	(41.57)
Total	**863.20**	**879.52**	**723.99**

Reconciliation of allowance for credit loss against doubtful advances

	March 31, 2021	March 31, 2020	March 31, 2019
Opening Balance as at beginning of the year	120.96	41.47	35.09
Created during the year (Net)	(4.76)	79.49	6.38
Closing Balance as at end of the year	**116.20**	**120.96**	**41.47**

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18 Share capital

18.1 Authorised share capital

Equity shares of Rs. 2/- each (March 31, 2020 : Rs. 2/- each; March 31, 2019 : Rs.2/- each)

	Number of shares	Rs. in lakhs
At April 1, 2018	**50,000,000**	**1,000.00**
Increase/(decrease) during the year	-	-
At March 31, 2019	**50,000,000**	**1,000.00**
Increase/(decrease) during the year	-	-
At March 31, 2020	**50,000,000**	**1,000.00**
Increase/(decrease) during the year	-	-
At March 31, 2021	**50,000,000**	**1,000.00**

18.2 Issued, Subscribed and Paid-up Capital

Equity shares of Rs. 2/- each (March 31, 2020 : Rs. 2/- each; March 31, 2019 : Rs. 2/- each) issued, subscribed and fully paid

	Number of shares	Rs. in lakhs
At April 1, 2018	**28,099,008**	**561.98**
Increase/(decrease) during the year	-	-
At March 31, 2019	**28,099,008**	**561.98**
Increase/(decrease) during the year	-	-
At March 31, 2020	**28,099,008**	**561.98**
Increase/(decrease) during the year	-	-
At March 31, 2021	**28,099,008**	**561.98**

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**		**March 31, 2019**	
	Number of shares held	**% holding**	**Number of shares held**	**% holding**	**Number of shares held**	**% holding**
Mrs.Jayasree Anumolu	9,091,614	32.36%	9,091,614	32.36%	9091614	32.36%
Mr.Bharat Anumolu	3,800,694	13.53%	5,558,848	19.78%	7603048	27.06%
Gunnam Subba Rao Insulation Private Limited	3,328,320	11.84%	3,328,320	11.84%	3328320	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

(a) 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.

(b) 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 for the issue of said bonus shares.

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

19 Other equity

	March 31, 2021	March 31, 2020	March 31, 2019
Reserves and Surplus			
(a) Securities premium account			
Balance at the beginning of the year	555.65	555.65	555.65
Balance at the end of the year	**555.65**	**555.65**	**555.65**
(b) General reserve			
Balance at the beginning of the year	484.61	484.61	484.61
Balance at the end of the year	**484.61**	**484.61**	**484.61**
(c) Surplus in the statement of profit and loss			
Balance at the beginning of the year	2,423.97	2,415.37	2,511.39
Add: Restated profit/ (loss) for the year	(40.33)	81.93	(86.30)
Re-measurement gain/(loss) on Defined Benefit Obligations (net of tax impact) (refer note 43)	(14.47)	(3.23)	(9.72)
Adjustment of transition to Ind AS 116 (Refer note 1.1(i) of Annexure V)		11.20	
Less: Cash dividend	(28.10)	(67.44)	-
Less: Dividend distribution tax	-	(13.86)	-
Balance at the end of the year	**2,341.07**	**2,423.97**	**2,415.37**
<u>Distribution made and proposed</u>			
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; 31st March 2019: Rs.Nil per share)	28.10	67.44	-
Dividend distribution tax	-	13.86	-
Total cash dividend including dividend distribution tax	**28.10**	**81.30**	**-**
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; 31st March 2019: Rs. 0.24 per share)	-	28.10	67.44
Dividend distribution tax	-	-	13.86
Total proposed dividend including dividend distribution tax	**-**	**28.10**	**81.30**

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 March 31, 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 March 31, 2020. The Group believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

	March 31, 2021	March 31, 2020	March 31, 2019
(d) FVTOCI reserve			
Balance at the beginning of the year	4.81	5.33	5.56
Add: Other comprehensive income for the year	0.26	(0.52)	(0.23)
Balance at the end of the year	**5.07**	**4.81**	**5.33**
Total other equity	**3,386.40**	**3,469.04**	**3,460.96**

<u>Nature and purpose of reserves</u>

(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 Group 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 Group 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.

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

20 Borrowings (non-current)

	March 31, 2021	March 31, 2020	March 31, 2019
Term loans			
Indian Rupee loans from banks (Secured)	965.68	679.10	604.91
Long term maturities of finance lease obligation			
Obligations under hire purchase contracts (Secured)	57.56	63.51	63.40
Unsecured loans from others			
Unsecured deposits from members - related parties (refer note 48)	20.00	100.18	100.18
Unsecured deposits from members - others	161.01	150.91	189.49
Unsecured inter corporate deposits	400.00	500.00	-
Unsecured loans and advances from related parties (refer note 48)	375.00	-	-
Total (A)	**1,979.25**	**1,493.70**	**957.98**
Current maturities of non-current borrowings			
Indian Rupee term loans from banks (Secured)	380.25	184.63	238.45
Obligations under hire purchase contracts (Secured)	29.81	33.30	42.89
Unsecured deposits from members - related parties (refer note 48)	20.00	80.18	-
Unsecured deposits from members - others	61.17	68.61	67.04
Unsecured inter corporate deposits	-	250.00	-
	491.23	**616.72**	**348.38**
Less: Amount disclosed under the head "other financial liabilities" (B)	(491.23)	(616.72)	(348.38)
Total non-current borrowings ((A) - (B))	**1,488.02**	**876.98**	**609.60**
	1,488.02	876.98	609.60

(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% (March 31, 2020 - 10.80% to 13.45%; March 31, 2019 - 10.50% to 10.80%)

(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% (March 31, 2020 - 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% (March 31, 2020 - 10.20%; March 31, 2019 - 11.15%)

(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% to 13.00%

(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 years ended March 31, 2021, March 31, 2020 and March 31, 2019.

21 Finance lease liabilities (non current)

	March 31, 2021	March 31, 2020	March 31, 2019
Long term maturities of finance lease obligation			
Lease liabilities (refer note 49)	179.72	286.07	323.69
Total	**179.72**	**286.07**	**323.69**

22 Other financial liabilities (non current)

	March 31, 2021	March 31, 2020	March 31, 2019
Interest accrued but not due on deposits from others	0.83	0.85	2.03
Total	**0.83**	**0.85**	**2.03**

23 Provisions (non-current)

	March 31, 2021	March 31, 2020	March 31, 2019
Provision for gratuity (refer note 46)	23.96	22.27	19.31
Total	**23.96**	**22.27**	**19.31**

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

24 Deferred tax liability / (asset) (Net)

		March 31, 2021	March 31, 2020	March 31, 2019
Deferred tax liability relating to				
On difference between book balance and tax balance of Property, plant & equipment		258.55	277.54	328.08
Deferred tax impact on fair valuation of Investments		2.61	2.52	2.69
	(A)	**261.16**	**280.06**	**330.77**
Deferred tax asset relating to				
Provision for compensated absences & bonus		66.69	37.13	28.19
Provision for impairment allowance on financial assets		243.33	222.83	119.76
Leases - IND AS 116 adjustments		13.43	3.99	3.93
	(B)	**323.45**	**263.95**	**151.88**
Deferred tax liability / (asset) (Net)	**(A-B)**	**(62.29)**	**16.11**	**178.89**

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
	16.11	**(78.49)**	**0.09**	**(62.29)**

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
	182.82	**(166.54)**	**(0.17)**	**16.11**

* Includes adjustment of Rs. 3.93 on account of Ind AS 116 transition adjustment in opening deferred tax liability (Refer Note 1.1 of Annexure V).

For the year ended March 31, 2019	Opening Balance	Recognised in profit & loss	Recognised in OCI	Closing balance
Property, plant and equipment	324.57	3.51	-	328.08
Provision for compensated absences	(25.94)	(2.25)	-	(28.19)
Provision for impairment allowance on financial assets	(117.45)	(2.31)	-	(119.76)
Leases - IND AS 116 adjustments	-	3.93	-	3.93
FVTOCI reserve	2.78	-	(0.09)	2.69
	183.96	**2.88**	**(0.09)**	**186.75**

The Group has tax losses which arose in India of Rs. 1,088.74 (March 31, 2020: Rs. 1,043.25; March 31, 2019: Rs. 573.27) that are available for offsetting for eight years against future taxable profits of the components in which the losses arose. Majority of these losses will expire in March 2026.

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiary and controlled entity that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, the profit would increase by Rs. 283.07 (March 31, 2020: Rs. 271.25; March 31, 2019: Rs. 149.05)

25 Borrowings (Current)

	March 31, 2021	March 31, 2020	March 31, 2019
Cash credit from banks (secured)	1,353.50	1,820.78	2,153.41
Unsecured inter corporate deposits	22.00	22.00	542.00
Unsecured loans and advances from related parties (refer note 48)	87.75	390.75	377.83
Unsecured deposits from members - related parties (refer note 48)	90.83	5.00	5.00
Unsecured deposits from members - others	6.87	39.55	45.80
Total	**1,560.95**	**2,278.08**	**3,124.04**

(i) The interest rate on the cash credit ranges between 12.10% to 13.10% (March 31, 2020 - 10.80% to 13.45%; March 31, 2019 - 10.50% to 10.80%). Refer note 3(i) for details of security.

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

26 Trade payables

	March 31, 2021	March 31, 2020	March 31, 2019
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	3,558.86
	3,336.02	**3,361.59**	**3,558.86**

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; March 31, 2019: Nil). Further, the Group 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

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

27 Finance lease liabilities (current)

	March 31, 2021	March 31, 2020	March 31, 2019
Current maturities of finance lease obligation			
Lease liabilities (refer note 49)	120.13	109.62	113.76
Total	**120.13**	**109.62**	**113.76**

28 Other financial liabilities (current)

	March 31, 2021	March 31, 2020	March 31, 2019
Current maturities of long term borrowings (refer note (ii) below)	380.25	184.63	238.45
Current maturities of hire purchase loans (refer note (iii) below)	29.81	33.30	42.89
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	67.04
Current maturities of unsecured inter corporate deposits	-	250.00	-
Unclaimed dividend	19.84	18.56	17.43
Interest accrued but not due on deposits from members			
- From related parties	0.48	0.20	0.22
- From others	0.82	2.95	6.94
Interest accrued but not due on borrowings	1.37	2.36	4.34
Payable to employees	227.55	5.21	49.22
Total	**741.29**	**646.00**	**426.53**

(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

	March 31, 2021	March 31, 2020	March 31, 2019
Statutory liabilities	63.04	129.98	184.12
Advances received from customers	329.51	245.15	323.08
Deferred revenue	70.80	34.58	-
Others	151.90	148.70	145.70
Total	**615.25**	**558.41**	**652.90**

30 Provisions (current)

	March 31, 2021	March 31, 2020	March 31, 2019
Provision for compensated absences	116.15	101.24	96.82
Provision for differential sales tax	13.52	13.52	38.02
Other provisions	69.24	59.18	33.44
Total	**198.91**	**173.94**	**168.28**

31 Current tax liabilities

	March 31, 2021	March 31, 2020	March 31, 2019
Provision for income taxes (net of advance taxes)	95.11	158.31	-
Total	**95.11**	**158.31**	**-**

Breakup of financial liabilities

	March 31, 2021	March 31, 2020	March 31, 2019
At amortised cost			
Non current borrowings	1,488.02	876.98	609.60
Current borrowings	1,560.95	2,278.08	3,124.04
Trade Payables	3,336.02	3,361.59	3,558.86
Other non-current and current financial liabilities	742.12	646.85	428.56
Total financial liabilities carried at amortised cost	**7,127.11**	**7,163.50**	**7,721.06**

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

32 Revenue from contracts with customers

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Sale of Products			
Finished goods	10,710.62	13,224.60	15,263.10
Traded goods	1,085.18	1,201.46	2,133.64
Sale of services	1,375.80	1,606.06	1,870.53
Other operating revenue			
Scrap sales	53.61	41.56	40.40
Total revenue from operations	**13,225.21**	**16,073.68**	**19,307.67**

Disaggregated revenue information

Reconciliation of the revenue from contract with customers with the amounts disclosed in the segment information (Note 47)

Particulars	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Insulation	12,140.03	14,872.22	17,173.84
Trading	1,085.18	1,201.46	2,133.83
Total revenue from contracts with customers	**13,225.21**	**16,073.68**	**19,307.67**

Timing of revenue recognition

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Goods transferred at a point in time	11,849.41	14,467.62	17,437.14
Services transferred over time	1,375.80	1,606.06	1,870.53
	13,225.21	**16,073.68**	**19,307.67**
Contract balances			
Trade receivables	3,218.36	3,343.53	3,909.89
Contract assets	-	76.88	-
Contract liabilities	329.51	245.15	323.08

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).

Set out below is the amount of revenue recognised from:

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Amounts included in contract liabilities at the beginning of the year	245.15	323.08	423.76
Performance obligations satisfied in previous years	-	-	-

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

Due to Group's nature of business and the type of contracts entered with the customers, the Group 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.

33 Other income

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Rental income from operating leases	24.47	31.36	35.96
Dividend Income	0.02	0.06	0.06
Net gain on sale of property, plant and equipment	4.76	5.21	0.95
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	22.85
Total	**72.57**	**58.35**	**59.82**

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

34 Finance income

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Interest Income on			
- Bank Deposits	15.10	19.63	18.15
- Income tax refund	2.18	18.25	-
- Others	0.43	1.64	1.55
Total	**17.71**	**39.52**	**19.70**

35 Cost of raw material and components consumed

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Inventory at the beginning of the year	548.27	518.27	490.60
Add: Purchases	7,507.35	8,931.21	11,523.88
	8,055.62	**9,449.48**	**12,014.48**
Less : Inventory at the end of the year	746.39	548.27	518.27
Cost of raw material and components consumed	**7,309.23**	**8,901.21**	**11,496.21**

36 Purchase of traded goods

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Stock-in-trade - Motors	1,002.47	966.36	1,347.27
Stock-in-trade - Others	-	260.26	563.19
Total	**1,002.47**	**1,226.62**	**1,910.46**

37 Changes in inventories of finished goods, work-in-progress and traded goods

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Opening stock			
Finished goods	585.20	459.02	503.94
Work-in-Progress	101.03	73.48	50.81
Stock-in-trade	218.62	234.57	214.39
	904.85	**767.07**	**769.14**
Closing stock			
Finished goods	572.73	585.20	459.02
Work-in-Progress	98.07	101.03	73.48
Stock-in-trade	215.87	218.62	234.57
	886.67	**904.85**	**767.07**
Decrease/ (increase) in inventories of finished goods, work-in-	**18.18**	**(137.78)**	**2.07**

38 Employee benefits expense

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Salaries, allowances and wages	1,241.31	1,421.54	1,440.62
Contribution to provident fund and other funds	96.15	171.13	169.23
Gratuity expense (refer note 46)	21.63	31.15	31.92
Staff welfare expenses	105.02	133.16	173.61
Total	**1,464.11**	**1,756.98**	**1,815.38**

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 Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

39 Depreciation and amortisation expense

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Depreciation of property, plant and equipment	447.57	436.86	421.39
Amortization of intangible assets	22.68	22.54	0.88
Depreciation of Right-of-use assets (refer note 49)	136.67	165.76	128.73
Total	**606.92**	**625.16**	**551.00**

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

40 Finance costs

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Interest expense on			
Term loans and working capital loans	321.97	363.36	369.15
On deposits from members and other deposits	119.08	138.61	114.26
On hire purchase contracts	4.49	7.80	8.66
Delayed payment of Income Tax	0.01	33.04	22.02
Lease liabilities	28.16	36.69	37.53
Other Borrowing Costs #	53.12	61.49	81.40
Total	**526.83**	**640.99**	**633.02**

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	For the year ended 31-Mar- 2019
Consumption of stores and spares	109.00	161.50	149.88
Service charges	511.02	638.45	619.37
Power and fuel	687.55	831.56	877.97
Repairs & maintenance			
Plant and machinery	31.61	29.57	59.35
Buildings	12.88	41.37	16.87
Furniture and equipment	10.07	11.16	11.24
Rent	32.29	9.45	48.31
Rates and taxes	26.79	54.73	30.04
Advertising and sales promotion	5.41	11.26	92.75
Vehicle maintenance	29.85	38.31	47.81
Insurance	103.44	88.76	87.29
Printing and stationery	2.88	2.28	23.13
Consultancy and other professional charges (refer note i below)	110.47	107.89	181.86
Travelling and conveyance	46.46	112.85	141.16
Communication expenses	22.11	30.78	37.60
Allowance for credit loss	81.45	474.12	7.93
Bad debts written off	97.46	7.45	69.93
Freight and forwarding charges	295.38	315.51	349.92
Donations	5.10	4.59	27.50
Sitting fees paid to Directors	10.65	8.55	6.90
Bank charges	7.10	17.35	35.08
Net loss on foreign currency transactions and translation	-	-	20.58
Miscellaneous expenses	115.66	103.36	105.37
Total	**2,354.63**	**3,100.85**	**3,047.84**

(i) Payment to auditor (included under consultancy and other professional charges)

As auditor			
-Audit Fees	12.00	12.00	12.00
-Limited review	9.00	9.00	9.00
-Tax audit fee	1.50	1.00	1.00
In other capacity			
-Other services (includes certifications)	0.50	0.50	1.50
-Reimbursement of expenses	0.10	0.46	0.81
Total	**23.10**	**22.96**	**24.31**

41 Other expenses (continued..)

(ii) Details of CSR expenditure (included under donations):

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
a) Gross amount required to be spent by the Group during the year	0.98	7.37	11.10

b) Amount spent during the year ending on March 31, 2021:	In cash	Yet to be paid in cash	Total
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	Total
i). Construction/ acquisition of any asset	-	-	-
ii). On purposes other than (i) above	4.59	2.78	7.37

d) Amount spent during the year ending on March 31, 2019:	In cash	Yet to be paid in cash	Total
i). Construction/ acquisition of any asset	-	-	-
ii). On purposes other than (i) above	22.30	-	22.30

Amount spent during the year:	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
(i) Contribution to Charitable Trust	3.00	3.80	22.30
(ii) Others	1.65	0.79	-
Total	**4.65**	**4.59**	**22.30**

In case of S. 135(5) Excess amount spent for the year ended March 31, 2021

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 being gain on disposal during the year ended March 31, 2020 is shown as an exceptional item due to the nature and significance of the amount involved.

43 Other comprehensive income (OCI)

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

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
FVTOCI reserve			
Gain/(loss) on equity instruments through OCI	0.35	(0.69)	(0.32)
Deferred tax effect on the gain/(loss) on equity instruments through OCI	(0.09)	0.17	0.09
Re-measurement gains / (losses) on defined benefit plans	(19.34)	(4.32)	(13.46)
Deferred tax effect on remeasurement costs on net defined benefit liability	4.87	1.09	3.74
Total	**(14.21)**	**(3.75)**	**(9.95)**

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

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.

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

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Restated profit/(loss) available for equity shareholders	(40.33)	81.93	(86.30)
Weighted average number of equity shares in computing basic and diluted EPS	28,099,008	28,099,008	28,099,008
Face value of each equity share (Rs.)	2	2	2
Earnings per share			
- Basic (Rs.)	(0.14)	0.29	(0.31)
- Diluted (Rs.)	(0.14)	0.29	(0.31)

45 Income taxes

The major components of income tax expenses for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 are as follows:

(i) Profit or loss section

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Current income tax:			
Current income tax charge	130.50	200.00	22.58
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	(90.25)	(155.06)	(5.07)
Income tax expense reported in the statement of profit and loss	**73.45**	**44.94**	**17.51**

(ii) OCI Section

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Tax related to items recognised in OCI during in the year:			
Net gain on FVTOCI financial assets	0.09	(0.17)	(0.09)
Net loss on remeasurement of defined benefit plans	(4.87)	(1.09)	(3.74)
Income tax charged to OCI	**(4.78)**	**(1.26)**	**(3.83)**

Reconciliation of tax expense and the accounting profit multiplied by Corporate Income tax rate applicable for March 31, 2021, March 31, 2020 and March 31, 2019:

	For the year ended 31-Mar- 2021	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Accounting profit before income tax (A)	33.12	126.87	(68.79)
Enacted tax rate in India (B)	25.17%	25.17%	26.00%
Restated profit/ (loss) before income tax multiplied by standard rate of Corporate tax in India (C = A*B)	8.34	31.93	(17.89)
Adjustments			
50% of donation	0.64	0.56	4.00
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	23.98	49.72	31.4
Total (D)	**31.91**	**13.01**	**35.40**
Expected tax expenses after adjustments (C+D)	40.25	44.94	17.51
Total tax expense for current year	40.25	44.94	17.51

* During the year ended March 31, 2020, the Holding Company and its Subsidiary have 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 Holding Company and its Subsidiary have recognized provision for Income Tax and re-measured its Deferred Tax Assets basis the rate prescribed in the said section during the year ended March 31, 2020 and the full impact of this change has been recognized in the Statement of Profit and Loss for the year ended March 31, 2020.

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

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; March 31, 2019: Rs.96.58) for Provident Fund contributions, Rs.41.78 (March 31, 2020: Rs.69.29; March 31, 2019: Rs.65.52) for Superannuation Fund contributions and Rs.4.41 (March 31, 2020: Rs.3.32; March 31, 2019: Rs.7.14) 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, March 31, 2020 and March 31, 2019 consist of the following

	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Current service cost	24.38	32.75	31.69
Interest cost (net)	(2.75)	(1.60)	0.23
Gratuity cost recognised in statement of profit and loss	**21.63**	**31.15**	**31.92**
Actuarial (gains) / losses due to demographic changes in DBO	-	2.04	-
Return on plan assets (greater)/less than discount rate	47.26	-	2.80
Actuarial (gains) / losses due to changes in financial assumptions	(21.79)	(21.96)	11.64
Experience adjustments	(6.13)	24.24	(0.98)
Components of defined benefit costs recognised in other comprehensive income	**19.34**	**4.32**	**13.46**

	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Details of the employee benefits obligations and plan assets are provided below			
Defined benefit obligation	418.87	447.98	396.80
Fair value of plan assets	421.76	458.92	414.57
Net defined benefit (asset) / liability recognised	**(2.89)**	**(10.94)**	**(17.77)**
Disclosure in restated consolidated summary statements			
a). Provision for gratuity (refer note 23)	23.96	22.27	19.31
b). Surplus gratuity fund balance (refer note 17)	(26.85)	(33.21)	(37.08)
c). Net defined benefit (asset) / liability recognised (a-b)	**(2.89)**	**(10.94)**	**(17.77)**
Details of changes in the present value of defined benefit obligations are as follows			
Opening defined benefit obligation	447.98	396.80	354.74
Current service cost	24.38	32.75	31.69
Interest cost	29.19	27.25	29.71
Remeasurement gains/(losses) on obligation	(27.92)	4.32	10.66
Benefits paid	(54.76)	(13.14)	(30.00)
Defined benefit obligations at the end of the year	**418.87**	**447.98**	**396.80**
Details of changes in the fair value of plan assets are as follows			
Fair value of plan assets at the beginning of the year	458.92	414.57	370.99
Expected return on plan assets	31.94	28.85	29.48
Employer contributions	32.92	28.64	46.90
Benefits paid	(54.76)	(13.14)	(30.00)
Remeasurement gains/(losses) on plan assets	(47.26)	-	(2.80)
Plan assets at the end of the year	**421.76**	**458.92**	**414.57**

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

	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Discount rate	7.13% - 7.16%	6.83% - 6.86%	7.76% - 7.77%
Rate of return of plan assets	7.13%	6.83%	7.77%
Attrition rate	5% - 6%	3% - 6%	1% - 3%
Rate of compensation increase	6.00%	6.00%	6.00%

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

46 Employee benefits (continued..)

Sensitivity Analysis: Impact on defined benefit obligation

	Year ended March 31, 2021	**Year ended March 31, 2020**	**Year ended March 31, 2019**
(a) Effect of 1% change in assumed discount rate			
- 1% increase	(20.64)	(25.96)	(22.82)
- 1% decrease	23.42	30.16	26.33
(b) Effect of 1% change in assumed salary escalation rate			
- 1% increase	23.42	29.77	25.54
- 1% decrease	(20.98)	(26.42)	(22.85)
(c) Effect of 1% change in assumed attrition rate			
- 1% increase	0.25	0.18	2.08
- 1% decrease	(0.26)	(0.58)	(2.32)

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

	Year ended March 31, 2021	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Expected future benefit payments			
Within next year	58.67	66.01	40.94
Between 2 and 5 years	127.40	124.54	138.45
Between 6 and 10 years	143.56	142.23	135.35

The average duration of the defined benefit plan obligation at the end of the reporting period is 10.97 years to 11.80 years (March 31, 2020: 11.51 years to 12.98 years; March 31, 2019: 14.53 years to 16.01 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 relevantfactors.

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

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.

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			-
Restated profit before taxes			33.12
Less: Tax expenses			(73.45)
Net restated profit/ (loss) for the year			**(40.33)**
As at year ended March 31, 2021			
Segment assets	10,627.74	487.50	11,115.24
Unallocable assets			1,193.33
Total Assets			**12,308.57**
Segment liabilities	5,498.50	93.75	5,592.25
Unallocable liabilities			2,767.94
Total liabilities			**8,360.19**

For the year ended March 31, 2020

Particulars	Insulation	Trading	Total
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
Restated profit before taxes			126.87
Less: Tax expenses			(44.94)
Net restated profit/ (loss) for the year			**81.93**
As at year ended March 31, 2020			
Segment assets	11,239.25	487.66	11,726.91
Unallocable assets			792.34
Total Assets			**12,519.25**
Segment liabilities	5,231.86	183.77	5,415.63
Unallocable liabilities			3,072.60
Total liabilities			**8,488.23**

For the year ended March 31, 2019

Particulars	Insulation	Trading	Total
Revenue	17,173.84	2,133.83	19,307.67
Segment result	1,069.37	138.14	1,207.51
Less: Finance costs			(633.02)
Less: Unallocable corporate expenses (net of income)			(643.28)
Add: Exceptional items			-
Restated loss before taxes			(68.79)
Less: Tax expenses			(17.51)
Net restated profit/ (loss) for the year			**(86.30)**
As at year ended March 31, 2019			
Segment assets	11,568.67	558.89	12,127.56
Unallocable assets			1,073.27
Total Assets			**13,200.83**
Segment liabilities	5,020.59	372.39	5,392.98
Unallocable liabilities			3,784.91
Total liabilities			**9,177.89**

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

47 Segment information (*continued*)

Capital expenditure

Particulars	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Insulation	211.42	533.84	593.42
Trading	-	-	-
Unallocable	2.30	93.55	11.38
Total	**213.72**	**627.39**	**604.80**

Depreciation/ amortisation

Particulars	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Insulation	416.73	421.44	517.18
Trading	30.84	32.60	32.94
Unallocable	159.35	171.12	0.88
Total	**606.92**	**625.16**	**551.00**

Revenue from external customers

Particulars	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
India	13,225.21	15,919.44	18,587.47
Outside India	-	154.24	720.20

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

There are no sales to any single external customer more than 10% of total revenue.

Non current assets

Particulars	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
India	5,355.91	5,791.57	5,918.12
Outside India	-	-	-

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

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

48 Related Party Transactions

Key Management Personnel (KMP) and their relatives	Mr. Amrith Anumolu - Executive Director
	Mr. Bharath Anumolu - Relative of KMP (Managing Director till May 19, 2019)
	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

Related party transactions for the year ended March 31, 2021

Particulars	**Affiliates**	**Key Managerial Personnel & their Relatives**
Transactions during the period		
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
Mr. 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
Mrs. 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
Mrs. T Anantha Jothi	-	0.22
Balance outstanding as at the year end		
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 Mrs. T Anantha Jothi	-	5.20
Interest accrued on Public Deposit - Mrs. T Anantha Jothi	-	0.22
Interest accrued on Public Deposit - Mrs. S.N.Radha	-	0.26

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

Related party transactions for the year ended March 31, 2020

Particulars	Affiliates	Key Managerial Personnel & their Relatives
Transactions during the period		
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
Balance outstanding as at the year end		
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

Related party transactions for the year ended March 31, 2019

Particulars	Affiliates	Key Managerial Personnel & their Relatives
Transactions during the period		
Lease rent income	3.10	-
Lease rent expense	48.00	-
Managerial remuneration paid*		
Mr. Bharat Anumolu	-	76.12
Mr. Amrith Anumolu	-	46.66
Mr. V V Sridharan	-	21.93
Mr. K Murali	-	14.30
Sitting fees & conveyance charges paid to Directors		
Mr. Bharat Anumolu	-	2.00
Mr. Amrith Anumolu	-	1.20
Mrs. Jayasree Anumolu	-	1.20
Mr. Gowrishanker	-	1.60
Mr. V J Singh	-	2.20
Mrs. Vijayalakshmi Ravindranath	-	1.00
Public deposits received		
Mrs Lalithamba Panda	-	20.00
Intercorporate loan received		
Villasini Real Estate Private Limited	20.00	-
Intercorporate loan repaid		
Villasini Real Estate Private Limited	20.00	-

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

48 Related Party Transactions *(continued)*

Particulars	**Affiliates**	**Key Managerial Personnel & their Relatives**
Unsecured loan received		
Mr. Bharat Anumolu	-	100.00
Mrs. Jayasree Anumolu	-	25.00
Mr. Amrith Anumolu	-	16.00
Mr. Gowrishanker	-	400.00
Unsecured Loan repaid		
Mr. Bharat Anumolu	-	116.67
Mrs. Jayasree Anumolu	-	21.82
Mr. Gowrishanker	-	150.00
Finance cost during the year on loans		
Mr. Bharat Anumolu	-	4.56
Mr. V J Singh	-	0.84
Mr. Amrith Anumolu	-	0.84
Mr. Gowrishanker	-	9.60
Mrs. Jayasree Anumolu	-	1.57
M/s Villasini Real Estate Private Limited	0.21	-
Balance outstanding as at the year end		
Other advances	33.44	-
Unsecured loan from Mr. Bharat Anumolu	-	79.83
Unsecured loan from Mr. V J Singh	-	7.00
Unsecured loan from Mrs. Jayasree Anumolu	-	25.00
Unsecured loan from Mr. Amrith Anumolu	-	16.00
Unsecured loan from Mr. Gowrishanker	-	250.00
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	-	0.22

*As the future liabilities of gratuity and leave encashment are provided on actuarial basis for the Group as a whole, the amounts pertaining to key managerial personnel is not separately ascertainable and therefore not included above.

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 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, March 31, 2020 and March 31, 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (also refer note 12).

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

48(i) Following are inter-company transactions with the Company eliminated on consolidation and disclosed as per requirement of SEBI ICDR regulations

Related party transactions for the year ended March 31, 2021

Particulars	Wholly owned subsidiary	Controlled entity
Transactions during the period		
Sale of products	203.24	156.36
Purchase of materials	667.51	372.99
Lease rent income	12.00	-
Financial guarantee income	3.52	-
Lease rent expense	21.00	-
Interest expense on lease liabilities	1.26	-
Share of loss	-	39.04
Sale of property, plant and equipment	-	0.48
Capital contributed	-	350.00
Balance outstanding as at the year end		
Trade receivable	-	876.25
Advances for supply and services	736.75	-
Trade payables	-	-
Lease liabilities	60.89	-
Other financial liabilities - financial guarantee contracts	3.75	-

Related party transactions for the year ended March 31, 2020

Particulars	Wholly owned subsidiary	Controlled entity
Transactions during the period		
Sale of products	2.93	73.12
Purchase of materials	705.36	228.37
Service income	-	8.00
Lease rent income	12.00	-
Sale and lease back	192.01	-
Net gain on sale and lease back	2.31	-
Financial guarantee income	1.29	-
Lease rent expense	1.75	-
Interest expense on lease liabilities	0.01	-
Share of loss	-	150.31
Balance outstanding as at the year end		
Trade receivable	-	932.18
Advances for supply and services	760.97	-
Other advances	-	-
Lease liabilities	80.63	-
Other financial liabilities - financial guarantee contracts	5.52	-

Related party transactions for the year ended March 31, 2019

Particulars	Wholly owned subsidiary	Controlled entity
Transactions during the period		
Sale of products	-	182.21
Purchase of materials	1,005.80	424.81
Service income	-	72.00
Lease rent income	12.00	7.50
Share of loss	-	104.28
Balance outstanding as at the year end		
Trade receivable	-	1,101.26
Advances for supply and services	651.47	-

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

49 Leases

Company 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
As at April 1, 2018	**506.10**	**-**	**506.10**
Transfer from Property plant and equipment	-	910.87	910.87
Additions	29.69	143.68	173.37
Deletions	-	-	-
Depreciation expense	(113.47)	(15.26)	(128.73)
As at March 31, 2019	**422.32**	**1,039.29**	**1,461.61**
Ind AS 116 transition adjustment (Refer note 1.1(i) of Annexure V)	15.13	-	15.13
Additions	89.37	3.54	92.91
Deletions	-	(134.09)	(134.09)
Depreciation expense	(148.58)	(17.18)	(165.76)
As at March 31, 2020	**378.24**	**891.56**	**1,269.80**
Additions	13.75	11.37	25.12
Depreciation expense	(120.07)	(16.60)	(136.67)
As at March 31, 2021	**271.92**	**886.33**	**1,158.25**

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	As at March 31, 2019
As at April 1	**395.69**	**437.45**	**506.10**
Additions	13.75	89.37	29.69
Accretion of interest	28.16	36.69	37.53
Payments	(137.75)	(167.82)	(135.87)
As at March 31	**299.85**	**395.69**	**437.45**
Current	120.13	109.62	113.76
Non-current	179.72	286.07	323.69

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	Year ended March 31, 2019
Depreciation expense of right-of-use assets	136.67	165.76	128.73
Interest expense on lease liabilities	28.16	36.69	37.53
Expense relating to short-term leases and leases of low-value assets (included in other expenses - Rent)	32.29	9.45	48.31
Total amount recognised in profit or loss	**197.12**	**211.90**	**214.57**

The Group had total cash outflows for leases of Rs. 137.75 in March 31, 2021 (Rs. 167.82 in March 31, 2020; Rs. 135.87 in March 31, 2019).

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

50 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; March 31, 2019 : Rs.49.76).

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	March 31, 2019
(a) Claims against the Group not acknowledged as debts	23.69	22.77	22.77
(b) Sales tax demands against which the Group has filed appeals	611.09	583.10	744.25

Particulars	March 31, 2021	March 31, 2020	March 31, 2019	Period to which the amount relates	Forum where dispute is pending
Under Sales Tax Acts of various states				1995-96 2000-01 2001-02 2003-04 2015-16	Deputy Commissioner, Assistant Commissioner & other appellate authorities
Amount under dispute	16.93	1.79	1.79		
Amount paid	1.92	0.74	0.74		
Net Amount	**15.01**	**1.05**	**1.05**		
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, 2015-16, 2016-17	High Court, Deputy Commissioner & CTO of various states
Amount under dispute	594.16	581.31	742.46		
Amount paid	58.15	56.15	56.15		
Net Amount	**536.01**	**525.16**	**686.31**		

Based on its evaluation (including expert advice obtained wherever applicable), the Company believes there it has a is 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 restated consolidated summary 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 restated consolidated summary statements of the Group.

51 Significant accounting judgements, estimates and assumptions

The preparation of restated consolidated summary 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 Group's accounting policies, management has not made any judgement, which has significant effect on the amounts recognised in the restated consolidated summary statements.

51 Significant accounting judgements, estimates and assumptions *(continued)*

(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 restated consolidated summary 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, 2021 is Rs. 3,218.36 (March 31, 2020 - Rs. 3,343.53; March 31, 2019 - Rs. 3,909.89). 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.

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

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**		**March 31, 2019**	
Increase / decrease in interest rate	+1%	-1%	+1%	-1%	+1%	-1%
Impact on restated profit before tax	(23.19)	23.19	(25.00)	25.00	(27.58)	27.58

(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 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, March 31, 2020 and March 31, 2019.

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**	**March 31, 2019**
Trade receivables	USD	-	49,440.05	31,345.00
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.)**
March 31, 2021 - Trade payables	USD	5% Increase	(1,562,548)	(1,562,548)
		5% Decrease	1,562,548	1,562,548
March 31, 2020 - Trade receivables	USD	5% Increase	186,354	186,354
		5% Decrease	(186,354)	(186,354)
March 31, 2020 - Trade receivables	USD	5% Increase	108,407	108,407
		5% Decrease	(108,407)	(108,407)

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, March 31, 2020 and March 31, 2019 respectively.

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

52 Financial risk management objectives and policies *(continued)*

(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
Year ended March 31, 2021				
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	3,336.02	-	-	3,336.02
	5,758.39	**1,668.57**	**-**	**7,426.96**
Year ended March 31, 2020				
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	3,361.59	-	-	3,361.59
	6,395.29	**1,163.90**	**-**	**7,559.19**
Year ended March 31, 2019				
Borrowings	3,124.04	609.60	-	3,733.64
Lease liabilities	113.76	323.69	-	437.45
Other financial liabilities	426.53	2.03	-	428.56
Trade payables	3,558.86	-	-	3,558.86
	7,223.19	**935.32**	**-**	**8,158.51**

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

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, 2019	March 31, 2021	March 31, 2020	March 31, 2019
Financial assets						
Other investments	37.06	42.46	42.21	45.81	50.85	51.29
Trade receivables	3,218.36	3,343.53	3,909.89	3,218.36	3,343.53	3,909.89
Cash and cash equivalents	158.95	76.26	324.54	158.95	76.26	324.54
Bank balances other than cash and cash equivalents	367.30	265.73	312.74	367.30	265.73	312.74
Loans	251.17	225.83	235.76	251.17	225.83	235.76
Other financials assets	0.95	77.46	2.81	1.58	77.46	2.81
Total	**4,033.79**	**4,031.27**	**4,827.95**	**4,043.17**	**4,039.66**	**4,837.03**
Financial liabilities						
Borrowings	3,048.97	3,155.06	3,733.64	2,875.45	3,093.90	3,683.86
Lease liabilities	299.85	395.69	437.45	299.85	395.69	437.45
Trade payables	3,336.02	3,361.59	3,558.86	3,336.02	3,361.59	3,558.86
Other financial liabilities	742.12	646.85	428.56	736.77	613.99	424.75
Total	**7,426.96**	**7,559.19**	**8,158.51**	**7,248.09**	**7,465.17**	**8,104.92**

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
Asset measured at fair value:				
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
Asset measured at fair value:				
Equity Investments at fair value through OCI				
Unquoted instruments	50.51	-	-	50.51
Quoted instruments	0.34	0.34	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

Particulars	March 31, 2019			
	Total amount	Fair value		
		Level 1	Level 2	Level 3
Asset measured at fair value:				
Equity Investments at fair value through OCI				
Unquoted instruments	50.26	-	-	50.26
Quoted instruments	1.03	1.03	-	-

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.

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	March 31, 2019
Borrowings	3,540.20	3,771.78	4,082.02
Less: Cash and short term deposits	(245.85)	(161.88)	(408.53)
Net debt	**3,294.35**	**3,609.90**	**3,673.49**
Equity	561.98	561.98	561.98
Other equity	3,386.40	3,469.04	3,460.96
Total Equity	**3,948.38**	**4,031.02**	**4,022.94**
Gearing ratio	83%	90%	91%

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, March 31, 2020 and March 31, 2019.

56 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated restated consolidated summary statements to Schedule III to the Companies Act, 2013 as at and for the year ended March 31, 2021, March 31, 2020 and March 31,

Year Ended 31st March 2021

S.No	Name of the Entities	Net Assets		Share in Restated 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
	Total		**3,948.38**		**(40.33)**		**(14.21)**		**(54.54)**

Year Ended 31st March 2020

S.No	Name of the Entities	Net Assets		Share in Restated 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)
	Total		**4,031.02**		**81.93**		**(3.75)**		**78.18**

56 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated restated consolidated summary statements to Schedule III to the Companies Act, 2013 as at and for the year ended March 31, 2021, March 31, 2020 and March 31,

Year Ended 31st March 2019

S.No	Name of the Entities	Net Assets		Share in Restated 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	108.64%	4,370.35	-11.98%	10.34	100.00%	(9.95)	-0.41%	0.39
II.	Subsidiary Sarovar Insulation Private Limited	-5.03%	(202.49)	-8.85%	7.64	0.00%	-	-7.94%	7.64
III.	Controlled Entity Saideep Polytherm	-3.60%	(144.92)	120.83%	(104.28)	0.00%	-	108.34%	(104.28)
	Total		**4,022.94**		**(86.30)**		**(9.95)**		**(96.25)**

57 Events after the reporting period

a) Subsequent to the March 31, 2021, 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.

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: October 25, 2021

For and on behalf of the Board of Directors
Beardsell Limited

Amrith Anumolu
Executive Director
DIN:03044661
Place: Hyderabad

V J Singh
Director
DIN:03129164
Place: Tirunelveli

V V Sridharan
Chief Financial Officer
Place: Chennai

Date: October 25, 2021

K Murali
Company Secretary
Place: Chennai

Date: October 25, 2021

OTHER FINANCIAL INFORMATION

Non-GAAP measures

Certain non-GAAP measures and certain other statistical information relating to our operations and financial performance such as net worth, return on net worth, net asset value per equity share, non-current borrowings/total equity attributable to the equity holders of the Parent, total borrowings/total equity attributable to the equity holders of the Parent and ratio of total borrowings/ total equity (excluding non-controlling interest), EBITDA, included in this Draft Letter of Offer are supplemental measures of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these non-GAAP measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to the financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance, see "*Risk Factor - Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition*" on 46.

1. The accounting ratios required under Clause 14 of Part B-1 of Schedule VI of the SEBI ICDR Regulations, as amended are given below:

Particulars	**June 30, 2021**	**March 31, 2021**	**March 31, 2021**	**March 31, 2021**
Basic Earnings/ (loss) per share[(a)] (in ₹)	0.03	(0.14)	0.29	(0.31)
Diluted Earnings/(loss) per share[(a)] (in ₹)	0.03	(0.14)	0.29	(0.31)
Return on Net Worth[(b)] (in ₹ lakhs)	0.19%	-1.02%	2.03%	-2.15%
Net asset value per equity share[(d)] (in ₹)	14.07	14.05	14.35	14.32
EBITDA[(e)] (₹ in lakhs)	282.87	1,166.87	1,393.02	1,115.23

Notes:

a. Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
b. Return on Net Worth Ratio: Restated profit / (loss) for the year of the Company divided by Net Worth of the Company at the end of the year.
c. Net Asset Value is the Net Worth of the Company.
d. Net asset value per equity share is calculated by dividing Net Worth by the number of Equity Shares outstanding as at the end of the period/year
e. EBITDA is calculated as restated profit for the year plus total tax expenses, depreciation expenses, finance costs and exceptional items
f. "Net Worth" means the aggregate value of the paid-up share capital and other equity.

Non-GAAP reconciliations:

Below are the reconciliations to non-GAAP measures presented in this Draft Letter of Offer:

1. Reconciliation of net worth

(in ₹ lakhs)

Particulars	June 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
Equity Share Capital (A)	561.98	561.98	561.98	561.98
Other Equity (B)	3,390.44	3,386.40	3,469.04	3,460.96
Net Worth (C=A+B)	**3,952.42**	**3,948.38**	**4,031.02**	**4,022.94**

2. Reconciliation of return on net worth

Particulars	June 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
Profit /(loss) for the period / year (A) (in ₹ lakhs)	7.38	(40.33)	81.93	(86.30)
Equity Share Capital (B) (in ₹ lakhs)	561.98	561.98	561.98	561.98
Other Equity (C) (in ₹ lakhs)	3,390.44	3,386.40	3,469.04	3,460.96
Return on Net Worth (%) (D=A/(B+C))	**0.19%**	**-1.02%**	**2.03%**	**-2.15%**

3. Reconciliation of net asset value per Equity Share

Particulars	June 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
Equity Share Capital (A) (in ₹ lakhs)	561.98	561.98	561.98	561.98
Other Equity (B) (in ₹ lakhs)	3,390.44	3,386.40	3469.04	3460.96
Number of Equity shares outstanding at the period / year end (C)	2,80,99,008	2,80,99,008	2,80,99,008	2,80,99,008
Number of adjusted Equity shares outstanding at the period / year end (D)	2,80,99,008	2,80,99,008	2,80,99,008	2,80,99,008
Net Assets Value per equity share (E=(A+B)/D) (in ₹)	**14.07**	**14.05**	**14.35**	**14.32**

4. Reconciliation of our profit /(loss) for the period / year to EBITDA

(in ₹ lakhs)

Particulars	June 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
Profit/(loss) for the period / year (A)	7.38	(40.33)	81.93	(86.30)
Total tax expense (B)	6.10	73.45	44.94	17.51
Finance costs (C)	120.49	526.83	640.99	633.02
Depreciation and amortization expense (D)	148.90	606.92	625.16	551.00
EBITDA (E = A+B+C+D)	**282.87**	**1,166.87**	**1,393.02**	**1,115.23**

STATEMENT OF CAPITALISATION

This Statement of Capitalization is prepared based on numbers derived from the Interim Condensed Consolidated Financial Statements for period ended June 30, 2021.

Particulars	**Pre-issue**	**Post-Issue***
	30-06-2021	
Total borrowings:		
Non-current borrowings (A)	1,234.69	
Current borrowings (B)	2,519.86	
Total borrowings (C) [(C)= (A)+(B)]	**3,754.55**	
Total equity attributable to equity holders of the Parent		
Equity share capital	561.98	
Other equity	3,390.44	
Total equity attributable to equity holders of the Parent (D)	**3,952.42**	
Non-current borrowings /total equity attributable to equity holders of the Parent (A/D)	0.31	
Total borrowings /total equity attributable to equity holders of the Parent (C/D)	0.95	

* Post issue capitalisation can be calculated only on the conclusion of the book building process.

Notes

1. Current borrowings represent borrowings which are due within 12 months from 30-June-2021

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Consolidated Summary Statements as of and for the Fiscals 2021, 2020 and 2019 all prepared in all material respects with the relevant provisions of the SEBI ICDR Regulations ,as amended from time to time in pursuance of the SEBI Act, 1992 and the Guidance Note on Report in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India and Interim Condensed Consolidated Financial Statements for the three months period ended June 30, 2021 prepared in accordance with the Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, included in the section titled "Financial Information" on page 109. Unless context requires otherwise, the financial information as at and for the year ended March 31, 2021. March 31, 2020 and March 31, 2019 used in this chapter is derived from the Restated Consolidated Summary Statements of our Company and financial information as at and for the 3 months period ended June 30, 2021 is derived from unaudited interim condensed consolidated financial statements and financial information and financial information for the 3 months period ended June 30, 2020 is derived from comparatives presented in unaudited interim condensed consolidated financial statements.

This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward looking statements as a result of certain factors such as those set forth in the sections titled "Risk Factors" and "Forward-Looking Statements" on pages 27 and 18, respectively.

Our fiscal year ends on March 31 of each year, so all references to a particular "fiscal year" and "Fiscal" are to the twelve (12) month period ended March 31 of that fiscal year. References to the "Company", "we", "us" and "our" in this chapter refer to Beardsell Limited on a consolidated basis, as applicable in the relevant fiscal period, unless otherwise stated.

OVERVIEW OF OUR BUSINESS

Our Company was incorporated as '*Mettur Industries Limited*' on November 23, 1936 as a public limited company under the Companies Act, 1913 with the Registrar of Joint Stock Companies, Tamil Nadu, Madras. The name of our Company was changed to "*Mettur Beardsell Limited* and a fresh certificate of incorporation dated November 10, 1969 consequent to such name change was issued to our Company by the Asst. Registrar of Companies, Tamil Nadu, Madras. The name of our Company was changed to "*Beardsell Limited* and a fresh certificate of incorporation dated October 1, 1983 consequent to such name change was issued to our Company by the Asst. Registrar of Companies, Tamil Nadu, Madras. The corporate identification number of our Company is L65991TN1936PLC001428.

We manufacture and market a variety of thermal insulation and packaging products, mainly Expanded Polystyrene (EPoS) and rigid and flexible Polyurethane Foam (PUF) products. We are in the forefront of providing products and services for packaging, thermal insulation and pre-fabricated metal sheet and EPoS core buildings and panels. We also provide insulation contracting services and manufacture specialized thermally insulated doors and windows for cold storages and clean rooms. We also cater to the construction industry and manufacture and market pre-fabricated metal sheet and EPoS core buildings and panels. Finished goods are subjected to exhaustive quality checks, in line with industry standards.

We have a wide customer base and cater to customers from various industries like consumer durables (national and international), electronics, engineering products, pharmaceutical and agro products like vegetables and fish.

We have manufacturing facilities near Chennai, Bengaluru, Hyderabad, Thane, Pune and NOIDA. All these plants are equipped with imported / domestic production machinery and utilities. To meet the customers' requirements effectively, we have nine marketing offices, across the country. By virtue of quality and best of technical support, we have been retained as prime supplier by many customers, over decades. Our customers include Samsung, Haeir, LG Electronics, Nokia, Greaves Cotton, Butterfly Home Appliances, TAFE.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled *'Risk Factors'* on page 27.The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Any adverse changes in central or state government policies;
- Any adverse development that may affect our operations in Tamil Nadu;
- Loss of one or more of our key customers and/or suppliers;
- An increase in the productivity and overall efficiency of our competitors;
- Any adverse development that may affect the operations of our manufacturing units;
- Our ability to maintain and enhance our brand image;
- Our reliance on third party suppliers for our products;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;
- Inability to collect our dues and receivables from, our invoice our unbilled services to, our customers, our results of operations;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Wholly Owned Subsidiary and Controlled Entity, Individual Promoter and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer contracts without cause and with little or no notice or penalty; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Restated Consolidated Summary Statements.

Summary of Significant accounting policies

Basis of consolidation

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 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 Financial Statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

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 Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Company member's Financial Statements in preparing the Financial Statements to ensure conformity with the Company's accounting policies.

The historical 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.

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 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 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 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.

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.

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.

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.

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.

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)
Property, plant and equipment	
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

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.

Transition to Ind AS 116:

For the purpose of preparation of Financial Statements, Ind AS 116 has been applied following modified retrospective method with effect from April 1, 2018 using same accounting policy choices (transition options as per Ind AS 116) as adopted on April 1, 2019 in the Audited Consolidated Financial Statements prepared by the Company as at and for the year ended March 31, 2020, upon transition to Ind AS 116.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar characteristics.

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

3. Relied on its previous assessment of whether leases are onerous under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review. There were no onerous contracts as at April 1, 2019.

4. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

5. Used hindsight in determining the lease term if the contract contains options to extend or terminate the lease.

Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, for all the contracts as at April 1, 2019, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

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.

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.

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.

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.

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.

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.

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.

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.

Dividend income

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

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**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.

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.

Research and development

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that the asset will be available for use or sale, its intention to complete and its ability and intention to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

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. 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.

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 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.

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.

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.

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".

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.

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.

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)
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
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 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

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.

Use of estimates

The preparation of 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.

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.

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.

Earnings Per Share

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.

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.

Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

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

Principal components of our statement of profit and loss account Revenue

The following descriptions set forth information with respect to the key components of the Restated Consolidated Summary Statements.

Total income

Our revenue comprises of:

Revenue from operations

Our revenue from operations consists of sale of products and other operating revenue. Sale of products primarily consists of sale of Expanded Polystyrene Products Sandwich panels and QuikBuild panels, which are primarily manufactured by us.

Other Income

Other income primarily comprises certain non-recurring income such as profit on sale of fixed assets and miscellaneous income.

Expenses

Our expenses primarily comprise cost of raw materials such Expandable Polystyrene, Pre-Painted Galvanized Iron Sheets, Polyurethane Chemicals and consumables for processing unit, power and fuel cost, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

Changes in inventories of stock-in-trade

Changes in inventories of stock-in-trade comprises of difference in closing balance *vis-a-vis* opening balance of stock in trade.

Power and Fuel expenses

Power and Fuel is one of the important component of expenses incurred by the Company, used in the various manufacturing processes.

Employee benefit expenses

Employee benefit expense consists of salaries, wages, gratuity, bonus, commission, contribution to provident fund & other funds and staff welfare & training expenses.

Other expenses

Other expenses comprise of rent expense, commission & brokerage, royalty on sales, advertisement & publicity, warehouse charges, repair & maintenance expenses, freight, insurance & clearing charges and miscellaneous expenses.

Finance cost

Finance cost comprises interest expense and other finance costs. Interest expense, generally, comprises interest on secured loans and unsecured loans. Other finance costs consist of bank commission, letter of credit charges, interest on buyer's credit, loan processing charges, loan prepayment charges, and loan renewal charges.

Depreciation and Amortization Expense

Depreciation and amortization expense comprises of depreciation on building, plant and machinery, office equipment, furniture & fixtures, vehicles, leasehold improvements, computers, servers & network, right-of-use assets and amortization of intangible assets.

Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or asset is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Results of our Operations

The following table sets forth, for the periods indicated, certain items derived from our Restated Consolidated Summary Statements, in each case also stated as a percentage of our total income:

Particular	Fiscal 2021 *(₹ in Lacs)*	Percentage of total income (%)	Fiscal 2020 *(₹ in Lacs)*	Percentage of total income (%)	Fiscal 2019 *(₹ in Lacs)*	Percentage of total income (%)
INCOME						
Revenue from contracts with customers	13,225.21	99.32%	16,073.68	99.39%	19,307.67	99.59%
Other Income	72.57	0.55%	58.35	0.36%	59.82	0.31%
Finance Income	17.71	0.13%	39.52	0.24%	19.70	0.10%
Total Income (A)	**13,315.49**	**100%**	**16,171.55**	**100%**	**19,387.19**	**100%**
EXPENSES						
Cost of raw material and component consumed	7,309.23	54.89%	8,901.21	55.04%	11,496.21	59.30%
Purchases of traded goods	1,002.47	7.53%	1,226.62	7.59%	1,910.46	9.85%
Changes in inventories of finished goods, work in process and traded goods	18.18	0.14%	(137.78)	-0.85%	2.07	0.01%
Employee benefit expenses	1,464.11	11.00%	1,756.98	10.86%	1,815.38	9.36%
Depreciation and amortisation expense	606.92	4.56%	625.16	3.87%	551.00	2.84%
Finance Cost	526.83	3.96%	640.99	3.96%	633.02	3.27%
Other Expenses	2,354.63	17.68%	3,100.85	19.17%	3,047.84	15.72%
Total Expenses (B)	**13,282.37**	**99.75%**	**16,114.03**	**99.64%**	**19,455.98**	**100.35%**
Profit before exceptional, extraordinary items and tax (A-B)	**33.12**	0.25%	**57.52**	0.36%	**(68.79)**	(0.35%)
Exceptional items	-	0.00%	69.35	0.43%	-	0.00%
Profit / (loss) before tax	**33.12**	**0.25%**	**126.87**	**0.78%**	**(68.79)**	**(0.35%)**
Tax expense:						
(i) Current tax	130.50	0.98%	200.00	1.24%	22.58	0.12%
(ii) Deferred tax	(90.25)	(0.68%)	(155.06)	(0.96%)	(5.07)	(0.03%)
(iii) Adjustment of tax relating to earlier periods	33.20	0.25%	-	0.00%	-	0.00%
Total Tax Expense	**73.45**	**0.55%**	**44.94**	**0.28%**	**17.51**	**0.09%**
Profit / (loss) for the year (D-E)	**(40.33)**	**(0.30%)**	**81.93**	**0.51%**	**(86.30)**	**(0.45%)**
Other Comprehensive Income						
Items not to be reclassified to profit or loss in subsequent periods	-	0.00%	-	0.00%	-	0.00%
Gain/(loss) on equity instruments through OCI	0.35	0.00%	(0.69)	0.00%	(0.32)	0.00%
Income tax effect	(0.09)	0.00%	0.17	0.00%	0.09	0.00%
Re-measurement gains / (losses) on defined benefit plans	(19.34)	(0.15%)	(4.32)	(0.03%)	(13.46)	(0.07%)
Income tax effect	4.87	0.04%	1.09	0.01%	3.74	0.02%
Other comprehensive income for the year, net of tax	**(14.21)**	**(0.11%)**	**(3.75)**	**(0.02%)**	**(9.95)**	**(0.05%)**
Total comprehensive income for the year, net of tax	**(54.54)**	**(0.41%)**	**78.18**	**0.48%**	**(96.25)**	**(0.50%)**

Comparison of Historical Results of Operations

Fiscal 2021 compared to Fiscal 2020

Total Income

Our total income for the Fiscal 2021 was ₹ 13,315.49 lacs as compared to ₹ 16,171.55 lacs for the Fiscal 2020, representing a decrease of (17.66%). Total revenue comprises of:

Revenue from contracts with customers

Our revenue from contracts with customers for the Fiscal 2021 was ₹ 13,225.21 lacs as compared to ₹ 16,073.68 lacs for the Fiscal 2020, representing a decrease of (17.72%). This is primarily due to slowdown in sales of products on account COVID-19 related reasons in the first half of the year.

Other income

Other income for the Fiscal 2021 was ₹ 72.57 lacs as compared to ₹ 58.35 lacs for the Fiscal 2020, representing an increase of 24.37%. The increase in other income was primarily due to income from Foreign Exchange Fluctuation Credit.

Finance income

Finance income for the Fiscal 2021 was ₹ 17.71 lacs as compared to ₹ 39.52 lacs for the Fiscal 2020, representing a decrease of (55.19%). The decrease in finance income was primarily due to interest received on IT Refund in the FY 2020.

Expenses

Our total expenses for the Fiscal 2021 was ₹ 13,282.37 lacs as compared to ₹ 16,114.03 lacs for the Fiscal 2020, representing a decrease of (17.57%).

Our cost of goods sold was primarily determined by the cost of material consumed, power etc., and purchase of traded goods, adjusted by changes in inventories of finished goods as follows:

Cost of raw material and components consumed
The Cost of materials and components consumed for the Fiscal 2021 was ₹ 7,309.23 lacs as compared to ₹ 8,901.21 lacs for the Fiscal 2020 representing a decrease of (17.88%). The change is commensurate with the decrease in sales of its products.

Purchase of Traded Goods

Purchase of traded goods for the Fiscal 2021 was ₹ 1002.47 lacs as compared to ₹ 1226.62 lacs for the Fiscal 2020, primarily due to market demand supply scenario.

Changes in inventories of finished goods, work-in-progress and traded goods
The changes in inventories of finished goods, work-in-progress and traded goods for the Fiscal 2021 was ₹ 18.18 lacs as compared to ₹ (137.78) lacs for the Fiscal 2020, primarily due to market demand supply scenario.

Employee benefits expense

Employee benefits expense for the Fiscal 2021 was ₹ 1,464.11 lacs as compared to ₹ 1,756.98 lacs for the Fiscal 2020, representing a decrease of (16.67%). This was due to decrease in salaries, wages and bonus on account of Covid 19 related reasons.

Other expenses

Other expenses for the Fiscal 2021 was ₹ 2,354.63 lacs as compared to ₹ 3,100.85 lacs for the Fiscal 2020, representing a decrease of (24.07%). The decrease was mainly due to expenses incurred on power and fuel, repairs and maintenance and selling & distribution expenses.

Finance costs

Finance costs for the Fiscal 2021 was ₹ 526.83 lacs as compared to ₹ 640.99 lacs for the Fiscal 2020, representing a decrease of (17.81%). The decrease in finance cost is due to reduced utilization of working capital limits and also on account of Term loan repayments.

Depreciation and amortisation expense

Depreciation and amortization expense for the Fiscal 2021 was ₹ 606.92 lacs as compared to ₹ 625.16 lacs for the Fiscal 2020, representing a small decrease of (2.92%). The decrease is due to sale of fixed assets during the year.

Restated profit/(loss) before tax

The restated profit/(loss) before tax for the Fiscal 2021 of ₹ 33.12 lacs as compared to ₹ 126.87 lacs for the Fiscal 2020. The decrease in restated profit/loss before tax is due to depressed market conditions for products on account of COVID 19 related reasons which affected the performance of the Company.

Total tax expense

Total tax expense for the Fiscal 2021 ₹ 73.45 lacs as compared to ₹ 44.94 lacs for the Fiscal 2020, representing an increase of 63.44%. The increase was due to impact of deferred tax.

Restated profit/(loss) for the year

As a result of the aforesaid, Our Company earned a restated profit/(loss) for the year on a restated basis for the Fiscal 2021 of ₹ (40.33) lacs as compared to ₹ 81.93 lacs for the Fiscal 2020, representing a decrease of (149.22%). The decrease in restated profit/loss after tax is due to depressed market conditions for products on account of COVID 19 related reasons which affected the performance of the Company.

Fiscal 2020 compared to Fiscal 2019

Total Income

Our total income for the Fiscal 2020 was ₹ 16,171.55 lacs as compared to ₹ 19,387.19 lacs for the Fiscal 2019, representing an decrease of (16.59)%. Total revenue comprises of:

Revenue from contracts with customers

Our revenue from contracts with customers for the Fiscal 2020 was ₹ 16,073.68 lacs as compared to ₹ 19,307.67 lacs for the Fiscal 2019, representing a decrease of (16.75%). This is primarily due to Covid from 4th Quarter of FY 2020.

Other income

Other income for the Fiscal 2020 was ₹ 58.35 lacs as compared to ₹ 59.82 lacs for the Fiscal 2019, representing a decrease of (2.46%). The decrease in other income was primarily due to decrease in Lease Income.

Finance income

Finance income for the Fiscal 2020 was ₹ 39.52 lacs as compared to ₹ 19.70 lacs for the Fiscal 2020, representing an increase of 100.61%. The increase in finance income was primarily due to interest received on IT Refund in the FY 2020.

Expenses

Our total expenses for the Fiscal 2020 was ₹ 16,114.03 lacs as compared to ₹ 19,455.98 lacs for the Fiscal 2019, representing a decrease of (17.18%).

Our cost of goods sold was primarily determined by the cost of material consumed, power etc., purchase of traded goods, adjusted by changes in inventories of finished goods as follows:

Cost of raw materials and components consumed

The Cost of raw material and components consumed for the Fiscal 2020 was ₹ 8,901.21 lacs as compared to ₹ 11,496.21 lacs for the Fiscal 2019 representing a decrease of (22.57%). The change is commensurate with the decrease in sales of its products.

Purchase of Traded Goods

Purchase of goods for the Fiscal 2020 was ₹ 1,226.62 lacs as compared to ₹ 1.910.46 lacs for the Fiscal 2019, primarily due to market demand supply scenario.

Changes in inventories of finished goods, work-in-progress and traded goods

The changes in inventories of finished goods, work-in-progress and traded goods for the Fiscal 2020 was ₹ (137.78) lacs as compared to ₹ 2.07 lacs for the Fiscal 2019, primarily due to market demand supply scenario.

Employee benefits expense

Employee benefits expense for the Fiscal 2020 was ₹ 1,756.98 lacs as compared to ₹ 1,815.38 lacs for the Fiscal 2019, representing a decrease of (3.22%). This was due to decrease in salaries, wages and bonus.

Other expenses

Other expenses for the Fiscal 2020 was ₹ 3,100.85 lacs as compared to ₹ 3,047.84 lacs for the Fiscal 2019, representing an increase of 1.74%. The increase was mainly due to lower expenses incurred on power and fuel, repairs and maintenance and selling & distribution expenses.

Finance costs

Finance costs for the Fiscal 2020 was ₹ 640.99 lacs as compared to ₹ 633.02 lacs for the Fiscal 2019, representing an increase of 1.26%. The increase in finance cost is due to lease accounting on adoption of Ind AS 116 and increase in other finance costs due to higher interest cost on borrowings.

Depreciation and amortisation expense

Depreciation and amortisation expense for the Fiscal 2020 was ₹ 625.16 lacs as compared to ₹ 551.00 lacs for the Fiscal 2019, representing a increase of 13.46%. The increase is due to change in useful life of the assets.

Restated profit/loss before tax

The restated profit/(loss) before tax for the Fiscal 2020 of ₹ 126.87 lacs as compared to ₹ (68.79) lacs for the Fiscal 2019. The decrease in restated profit/loss before tax is due to depressed market conditions for products during the year due to variety of factors which include Impact of COVID-19 related issues also played a part in the performance of the Company.

Total tax expense

Total tax expense for the Fiscal 2020 ₹ 44.94 lacs as compared to ₹ 17.51 lacs for the Fiscal 2019, representing a increase of 156.65%. The increase was due to impact of deferred tax.

Restated profit/(loss) for the year

As a result of the aforesaid, Our Company earned a profit/(loss) for the year on a restated basis for the Fiscal 2020 of ₹ 81.93 lacs as compared to ₹ (86.30) lacs for the Fiscal 2019, representing an increase of 194.94%. The increase was due to market conditions for products during the year due to variety of factors which include Impact of COVID-19 related issues also played a part in the performance of the Company.

Comparison of Results of Operations for Quarter ended June 30, 2021 compared with Quarter ended June 30, 2020

Quarter ended June 30, 2021 compared with Quarter ended June 30, 2020 as derived from Interim Condensed Consolidated Financial Statements

Particular	Quarter ended June 30, 2021 *(₹ in Lacs)*	Percentage of total income (%)	Quarter ended June 30, 2020 *(₹ in Lacs)*	Percentage of total income (%)
INCOME				
Revenue from Operations	3,441.31	98.12%	1,572.66	99.30%
Other Income	61.37	1.75%	7.95	0.50%
Finance Income	4.72	0.13%	3.14	0.20%
Total Income (A)	**3,507.40**	**100%**	**1,583.75**	**100%**
EXPENDITURE				
Cost of materials consumed	2,280.66	65.02%	736.85	46.53%
Purchases of traded goods	249.27	7.11%	56.39	3.56%
Changes in inventories of finished goods, work in process and traded goods	(203.24)	-5.79%	104.14	6.58%
Employee benefit expenses	348.08	9.92%	331.22	20.91%
Depreciation and amortisation expense	148.90	4.25%	151.61	9.57%
Finance Cost	120.49	3.44%	124.87	7.88%
Other Expenses	549.76	15.67%	422.43	26.67%
Total Expenses (B)	**3,493.92**	**99.62%**	**1,927.51**	**121.71%**
Profit before exceptional, extraordinary items and tax (A-B)	**13.48**	0.38%	**(343.76)**	-21.71%
Exceptional items	-	0.00%	-	0.00%
Profit / (loss) before tax	**13.48**	0.38%	**(343.76)**	-21.71%
Tax expense :				
(i) Current tax	8.50	0.24%	-	0.00%
(ii) Deferred tax	(2.40)	-0.07%	(16.11)	-1.02%
(iii) Adjustment of tax relating to earlier periods	-	0.00%	-	0.00%
Total Tax Expense	**6.10**	**0.17%**	**(16.11)**	**-1.02%**
Profit / (loss) for the year (D-E)	**7.38**	**0.21%**	**(327.65)**	**-20.69%**
Other Comprehensive Income				
-	-		-	
Items not to be reclassified to profit or loss in subsequent periods				
Gain/(loss) on equity instruments through OCI	0.38	0.01%	0.17	0.01%
Income tax effect	(0.10)	0.00%	(0.04)	0.00%
Re-measurement gains / (losses) on defined benefit plans	(4.84)	-0.14%	1.46	0.09%
Income tax effect	1.22	0.03%	(0.38)	(0.02)%
Other comprehensive income for the year, net of tax	**(3.34)**	**-0.10%**	**1.21**	**0.08%**
Total comprehensive income for the year, net of tax	**4.04**	**0.12%**	**(326.44)**	**-20.61%**

Comparison of Historical Results of Operations

Quarter ended June 30, 2021 compared to Quarter ended June 30, 2020

Total Income

Our total income for the Quarter ended June 30, 2021 was ₹ 3,507.40 lacs as compared to ₹ 1,583.75 lacs for the Quarter ended June 30, 2020, representing a increase of 121.46%. Total revenue comprises of:

Revenue from contracts with customers

Our revenue from contracts with customers for the Quarter ended June 30, 2021 was ₹ 3,441.31 lacs as compared to ₹ 1,572.66 lacs for the Quarter ended June 30, 2020, representing a increase of 118.82%. This is primarily due to increase in sales of products in the first quarter of the year.

Other income

Other income for the Quarter ended June 30, 2021 was ₹ 61.37 lacs as compared to ₹ 7.95 lacs for the Quarter ended June 30, 2020, representing an increase of 671.95%. The increase in other income was primarily due to income from other operating income and Liabilities no longer required written back.

Finance income

Finance income for the Quarter ended June 30, 2021 was ₹ 4.72 lacs as compared to ₹ 3.14 lacs for the Quarter ended June 30, 2020, representing a increase of 50.32%. The increase in finance income was primarily due to interest received on bank deposits.

Expenses

Our total expenses for the Quarter ended June 30, 2021 was ₹ 3,493.92 lacs as compared to ₹ 1927.51 lacs for the Quarter ended June 30, 2020, representing an increase of 81.27%.

Our cost of goods sold was primarily determined by the cost of material consumed, power etc., and purchase of traded goods, adjusted by changes in inventories of finished goods as follows:

Cost of raw materials and components consumed

The Cost of materials consumed for the Quarter ended June 30, 2021 was ₹ 2280.66 lacs as compared to ₹ 736.85 lacs for the Quarter ended June 30, 2020 representing a increase of 209.51%. The change is commensurate with the increase in sales of its products.

Changes in inventories of finished goods, work-in-progress and traded goods

The changes in inventories of finished goods, work-in-progress and traded goods for the Quarter ended June 30, 2021 was ₹ (203.24) lacs as compared to ₹ 104.14 lacs for the Quarter ended June 30, 2020, primarily due to market demand supply scenario.

Employee benefits expense

Employee benefits expense for the Quarter ended June 30, 2021 was ₹ 348.08 lacs as compared to ₹ 331.22 lacs for the Quarter ended June 30, 2020, representing a increase of 5.09%. This was due to increase in salaries, wages and bonus.

Other expenses

Other expenses for the Quarter ended June 30, 2021 was ₹ 549.76 lacs as compared to ₹ 422.43 lacs for the Quarter ended June 30, 2020, representing an increase of 30.14%. The increase was mainly due to expenses incurred on power and fuel, repairs and maintenance and selling & distribution expenses.

Finance costs

Finance cost for the Quarter ended June 30, 2021 was ₹ 120.49 lacs as compared to ₹ 124.87 lacs for the Quarter ended June 30, 2020, representing a decrease of (3.51%). The decrease in finance cost is due to reduced utilization of working capital limits and also on account of Term loan repayments.

Depreciation and amortization expense

Depreciation and amortization expense for the Quarter ended June 30, 2021 was ₹ 148.90 lacs as compared to ₹ 151.61 lacs for the Quarter ended June 30, 2020, representing a small decrease of (1.79%). The decrease is due to sale of fixed assets during the year.

Profit/(loss) before tax

The profit/(loss) before tax for the Quarter ended June 30, 2021 of ₹ 13.48 lacs as compared to ₹ (343.76) lacs for the Quarter ended June 30, 2020. The increase in restated profit/loss before tax is due to market conditions for products, which changes the performance of the Company.

Total tax expense

Total tax expense for the Quarter ended June 30, 2021 ₹ 6.10 lacs as compared to ₹ (16.11) lacs for the Quarter ended June 30, 2020, representing an increase of 106.10%. The increase was due to impact of deferred tax.

Profit/(loss) for the period

As a result of the aforesaid, Our Company earned a profit/(loss) for the period ended June 30, 2021 of ₹ 7.38 lacs as compared to ₹ (327.65) lacs for the Quarter ended June 30, 2020, representing a increase of 107.38%. The increase in profit/(loss) for the period is due to market conditions for products which changes the performance of the Company.

CASH FLOWS

The following table sets forth certain information relating to our cash flows:

(₹ in lacs)

Particulars	**June 30, 2021**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Profit/(loss) before exceptional items and tax	13.48	33.12	57.52	(68.79)
Net Cash Flow from Operating Activities (A)	159.89	1,181.25	1,155.75	1,343.61
Net Cash Flow used in Investing Activities (B)	(28.50)	(201.87)	(234.05)	(485.00)
Net Cash used in Financing Activities (C)	61.03	(896.69)	(1,169.98)	(691.83)
Net increase / (decrease) in Cash & Cash Equivalents (A+B+C)	**192.42**	**82.69**	**(248.28)**	**166.78**
Cash and cash equivalents at the beginning of the period / year	158.95	76.26	324.54	157.76
Cash and cash equivalents at the end of the period / year	**351.37**	**158.95**	**76.26**	**324.54**

Operating Activities

Net cash from operating activities for the three months ended June 30, 2021 was ₹ 159.89 lacs as compared to the profit/(loss) before tax of ₹ 13.48 lacs for the same period. This difference is primarily on account of trade and other payables, other current asset and trade and other receivables.

Net cash from operating activities for the year ended March 31, 2021 was ₹ 1,181.25 lacs as compared to the restated profit/(loss) before tax of ₹ 33.12 lacs for the same period. This difference is primarily on account of trade and other payables, other current asset and trade and other receivables.

Net cash from operating activities for the year ended March 31, 2020 was ₹ 1,155.75 lacs as compared to the restated profit/(loss) before tax of ₹ 57.52 lacs for the same period. This difference is primarily on account of trade and other payables, other current asset and trade and other receivables.

Net cash from operating activities for the year ended March 31, 2019 was ₹ 1,343.61 lacs as compared to the restated profit/(loss) before tax of ₹ (68.79) lacs for the same period. This difference is primarily on account of trade payables, trade receivables and other current assets.

Investing Activities

Net cash used in investing activities for the three months period ended June 30, 2021 was ₹ (28.59) lacs. This was on account of purchase/sale of property, plant & equipment (including capital work-in-progress and capital advances.

Net cash used in investing activities for the year ended March 31, 2021 was ₹ (201.87) lacs. This was on account of purchase/sale of property, plant & equipment (including capital work-in-progress and capital advances.

Net cash used in investing activities for the year ended March 31, 2020 was ₹ (234.05) lacs. This was on account of purchase/sale of property, plant & equipment (including capital work-in-progress and capital advances.

Net cash used in investing activities for the year ended March 31, 2019 was ₹ (485.00) lacs. This was on account of purchase/sale of property, plant & equipment (including capital work-in-progress and capital advances.

Financing Activities

Net cash flows generated from financing activities for the three months period ended June 30, 2021 was ₹ 61.03 lacs. This was on account of additional borrowings availed during the same period.

Net cash flows used in financing activities for the year ended March 31, 2021 was ₹ (896.69) lacs. This was on account of repayment of borrowings and payment of finance cost.

Net cash flows used in financing activities for the year ended March 31, 2020 was ₹ (1,169.98) lacs. This was on account of repayment of borrowings and payment of finance cost.

Net cash flows used in financing activities for the year ended 2019 was ₹ (691.83) lacs. This was on account of repayment of borrowings and payment of finance cost.

Contingent Liabilities

The statement of contingent liabilities of our Company as per IND AS 37 and derived from the Restated Consolidated Summary Statements and Unaudited Interim Condensed Consolidated Financial Statements for the 3 months period ended June 30, 2021 are as mentioned in the table below:

(₹ in lacs)

Particulars	As at 30th June, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
i) Contingent liabilities:				
a) Claims against the Group not acknowledged as debts	23.69	23.69	22.77	22.77
b) Sales tax demands against which the Group has filed appeals	611.09	611.09	583.10	744.25

Off-Balance Sheet Arrangements

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off-balance sheet arrangements.

Capital Expenditures

Our capital expenditures are mainly related to the purchase of fixed assets located in India. The primary source of financing for our capital expenditures has been cash generated from our operations and borrowings.

Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in the market prices, including interest rate risk, foreign exchange risk, credit risk and inflation risk. We believe that our principal market risks are equity price risk, foreign exchange risk, interest rate risk and credit risk.

Total Debt

For details of our borrowings, please see section titled *"Financial Indebtedness"* on page 141 of this Draft Letter of Offer.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the section titled *"Risk Factors"* and chapter titled *"Management's Discussion and Analysis of Financial Conditions and Results of Operations"* beginning on pages 27 and 113, respectively, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Draft Letter of Offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income except as mentioned in the section titled "*Risk Factors"* on page 27.

Except as disclosed in this Draft Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the section titled *"Risk Factors"* and chapter titled *"Management's Discussion and Analysis of Financial Conditions and Results of Operations*" beginning on pages 27 and 113, respectively, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Increase in revenues is by and large linked to increase in sale of units of our existing portfolio of products, introduction of new categories under existing brands and addition to new distribution channels.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to vary. However, on account of our core strengths like quality products, brand loyalty, timely supply and better sourcing of raw-material. Due to which, we are able to stay competitive. For further details, kindly refer the chapter titled *"Our Business"* beginning on page 82.

Total Turnover of Each Major Business Segment

We currently operate in the following business segments:

- Manufacturing and Marketing of Expanded Polystyrene Products
- Manufacturing and Marketing of ISOBUILD Sandwich Panels
- Manufacturing and Marketing of Quikcbuild EPoS Core Panels
- Thermal Insulation and Painting Contracting
- Trading – Agency
- Exports

New* Product *or Business Segment

Except as disclosed in "*Our Business*" on page 82, we have not announced and do not expect to announce in the near future any new products or business segments.

Seasonality of Business

Our Company's business is not seasonal in nature.

Significant dependence on a Single or Few Suppliers or Customers

Other than as described in this Draft Letter of Offer, particularly in sections "*Risk Factors*" on page 27, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

Related Party Transactions

For details please refer to the discussion in the chapter titled "*Related Party Transactions*" beginning on 107.

Significant Developments since last balance sheet date

Except as disclosed above and in this Draft Letter of Offer, including under "*Our Business*" and "*Risk Factors*" on pages 82 and 27 respectively, to our knowledge no circumstances have arisen since June 30, 2021, the date of the last financial information disclosed in this Draft Letter of Offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of all the borrowings of our Company together with a brief description of certain significant terms of such financing arrangements. As on March 31, 2021, our total outstanding secured borrowing was ₹ 1,592 lakhs and total outstanding unsecured borrowing was ₹ 1,163.5 lakhs.

Our Company has, pursuant to an Annual General Meeting held on August 12, 2016, resolved that in accordance with the provisions of the Companies Act, 2013, our Board is authorised to borrow, from time to time, such sum or sums of moneys as the Board may deem fit for the purpose of the business of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), in excess to the aggregate of the paid – up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys borrowed by the Board of Directors and outstanding at one time shall not exceed ₹ 10,000 lacs.

SECURED BORROWINGS BY OUR COMPANY

As on March 31, 2021 the aggregated outstanding borrowings of our Company for the loan availed from Bank of India and Sundaram Finance Limited amounted to ₹ 1,592.04 lacs.

Amount in ₹ lakhs

Category of borrowing	Outstanding amount as on March 31, 2021
Working capital facilities	
Fund based	1,534.48
Non-fund based	767.66
Obligations under hire-purchase contracts	57.56
Total	**1,592.04**

SECURED BORROWINGS BY OUR WHOLLY OWNED SUBSIDIARY AND CONTROLLED ENTITY

A**s** s on March 31, 2021 the aggregated outstanding borrowings of our Wholly Owned Subsidiary, M/s Sarovar Insulation Private Limited, amounted to ₹ 207.90 lakhs for the loan availed from DBS Bank India Limited.

Amount in ₹ lakhs

Category of borrowing	Outstanding amount as on March 31, 2021
Working capital facilities	
Fund based	207.90
Non-fund based	Nil
Total	**207.90**

Similarly, A**s** s on March 31, 2021 the aggregated outstanding borrowings of our Controlled Entity, M/s Saideep Polytherm (Partnership Firm), amounted to ₹ 576.80 for the loan availed from Saraswat Co-operative Bank Limited.

Amount in ₹ lacs

Category of borrowing	Outstanding amount as on March 31, 2021
Working capital facilities	
Fund based	568.2
Non-fund based	-
Vehicle Loans	6.45
Total	**576.80**

Principal terms of borrowings applicable to our Company, our Wholly Owned Subsidiary and our Controlled Entity:

a. ***Interest:***

1) The Rate of Interest charged by Bank of India ("**BOI**"):

Facility	Rate of Interest
Term Loan	RBLR + CRP (6.85% + 5.00%)
CC against stocks BD up to 90 days old	RBLR + CRP (6.85% + 5.00%)
FITL I & II	RBLR + CRP (6.85% + 5.00%)
Working capital term loan limit (under Star Guaranteed Emergency Credit Line)	RBLR plus 0.65, presently @ 7.50 % p.a
Working Capital Demand Loan sanctioned under CESS 2020 Scheme	RBLR @ 6.85%
Vehicle loans	0.60% / 0.85% above the yearly BOI MCLR p.a. 0.45% above base rate or at such rate stipulated by bank from time to time.

2) The Rate of Interest charged by Sundaram Finance Limited:

Facility	Rate of Interest
Vehicle Loan	Monthly compounded @ 10.00% Annualized @ 10.47%

b. ***Tenor:***

The working capital facilities availed by our Company and Subsidiary are repayable within the range of 180 days to 1 year or generally repayable on demand and is subject to annual renewal. The tenor of the term loan ranges from 2 years to 5 years. The tenor for vehicle loans availed is generally payable in instalments as decided during the execution of the agreement.

c. ***Security:***

1) For the loan provided by Bank of India:

Term Loan

- Hypothecation of moveable assets out of Term Loan III (Coimbatore, Karad, Thane, Malur& Chennai)
- Equitable mortgage of leasehold land and building at Industrial area at Plot No. B-113/1, Karad Industrial Area, MIDC, Satara, Maharashtra.

CC/ EPC/ FBP/ FBN

- Hypothecation of stocks and book debts
- Pledge of TDR for BG/LC at 15% margin

Collateral

- Equitable Mortgage over industrial land and building situated at S. No.466/EE/466/UU 470, Bondapalli Village, Medak District, Telengana.
- Equitable Mortgage over land &building at S. No 482/1B and 482/1A1B, Ward No: 3D, No: 125A, Pollachi Main Road, Seerampalayam Village, Coimbatore, Tamil Nadu.
- TDR kept on account of land compensation received on the same property as above.
- Equitable Mortgage over industrial land and building at S. No. 154/1B, Govindamedu Revanue Village, Kilacherry Post, Mappedu Thiruvallur Distrcit, Tamil Nadu.
  Equitable Mortgage over industrial land and building (Lease Hold) situated at Plot No. D-40, T.T.C Industrial Area, Thane Belapur Road, Navi Mumbai, Maharashtra.

For Vehicle Loans

- Hypothecation of Maruti Suzuki Breeza2T
- Hypothecation of Maruti Ciaz
- Hypothecation of Hyundai Creta SX
- Hypothecation of Tata Ace Super Mint 2015

2) For the loan provided by Sundaram Finance Limited:

- Hypothecation of the vehicle for which loan was availed.

3) For the loan provided by DBS Bank India Limited:

- Mortgage of Property situated at 6A KIABD Industrial Area, Malur – 563 130, Karnataka, India.

d. ***Personal Guarantee:*** Nil

e. ***Corporate Guarantee:*** Our Company has provided guarantee to our Wholly Owned Subsidiary Sarovar Insulation Private for the loan availed by them from DBS Bank India Limited.

f. ***Repayment:***

1) For the loan availed from Bank of India:

- The working capital CC/ EPC/ NFB LC Limits are repayable on demand.
- Term Loan of ₹ 9.75 crores is repayable in 8 quarterly instalments commencing from December 31, 2020 at ₹ 34,41,278 per month and one instalment of ₹ 32,93,498 on December 31, 2022.
- Guaranteed Emergency Credit Loan of ₹ 3.10 crores is repayable in 33 EMI's commencing from August 31, 2021 at ₹ 9,64,293 per month.
- Covid Emergency Support Scheme term loan of ₹ 1.60 crores repayable in 18 monthly structured instalments. Interest to be serviced as and when debited.
- Vehicle loan is repayable in 36 EMIs commencing from one month after disbursement.

2) For the loan availed from Sundaram Finance Limited:

- The repayment of loan and interest will be in instalments and without prejudice to the right of the Lender to be paid on demand as contemplated under the loan agreement.

3) For the loan availed from DBS Bank India Limited:

- Over Draft- 12 months
- Working Capital Demand Loan- 180 days
- Letter of Credit- 270 days
- Term Loan- 60 months
- PCE- 180 days

g. ***Restrictive Covenants under the Secured Loans:***

As per the terms of our facility agreements, certain corporate actions for which our Company require prior consent of the banks, include:

- to create or permit to subsist any mortgage, charge (whether floating or specific) pledge, lien or other security interest on any of Company's undertakings, properties, properties or assets.
- effect any adverse changes in company's firm's capital structure.
- formulate any scheme of amalgamation or merger or reconstruction.
- implement any scheme of expansion or diversification or capital expenditure except normal replacements indicated in funds flow statement submitted to and approved by the Bank.
- enter into any borrowing or non-borrowing arrangements either secured or unsecured with any other Bank, financial institution, company, firm or otherwise or accept deposits in excess of the limits laid down by Reserve Bank of India.

- invest by way of share capital in or lent or advance funds to or place deposits with any other company/firm concern (including group companies/associates) persons. Normal trade credit or security deposit in the normal course of business or advance to employees can, however be extended.
- undertake guarantee obligations on behalf of any other company/firm/persons.
- declare dividend for any year except out of profits relating to that year after meeting all the financial commitments to the bank and making all due and necessary provisions.
- make any drastic changes in its management set-up.
- approach capital market for mobilizing additional resources either in the form of Debts or equity.
- sell or dispose off or create security or encumbrances on the assets charged to the bank in favor of any other bank, financial institution, company, firm, individual.
- shall not undertake derivative transaction.
- make any alternations in Company's constitutions, controlling ownership or any documents relating to its constitution or any other material change in Company's management or in the nature of Company's business or operations during the period of the subsistence of facilities.
- repay monies brought in by the promoters, partners, directors, share holders, their relatives and friends in the business of the company/firm by way of deposits/loans/share application money, etc.
- for opening any account with any other bank.
- the Bank reserves the right to add, amend, alter, cancel and modify any of the terms and conditions stipulated herein above with or without any prior reference to our Company. Bank shall have the right to sell, transfer, assign or securitise the loan advance sanctioned and disbursed to us at any time.
- the bank reserves its right to appoint its nominee on Company's Board of Directors - part time full time to oversee the functioning of the company to look after bank's interest.
- the credit facilities shall be utilized only for the purpose for which same are granted and said facilities shall not be diverted or siphoned off or used for any other purposes

This is an indicative list and there may be such other additional terms under the various borrowing arrangements entered into by our Company

h. Events of Default:

Borrowing arrangements entered into our Company contain standard events of default, including, among others:

- non compliance or breach of any terms, covenants and conditions
- default either in payment of interest, the repayment of the principal amounts as and when due and payable or reimbursement of all costs, charges and the expenses when demanded.
- in the event of diversion or siphoning off or utilizing the said facilities for any other purpose other than for which it is granted.
- information/ particulars/ documents furnished by Company are found to be incorrect or misleading.
- if the borrower sells, encumbers or transfers or seeks to sell, transfer, create encumbrance on the hypothecated Asset in any manner whatsoever without the express consent in writing of the Lender.
- borrower fails to pay any insurance premium for the hypothecated asset.
- borrower being declared insolvent or incase of of a company any winding up or liquidation proceedings being filed against the borrower
- any default being committed by the borrower in discharging their liability under any other agreement entered into between the lender and the borrower.

This is an indicative list and there may be such other additional terms under the various borrowing arrangements entered into by our Company

i. Consequences of Default:

- For loan availed from BOI in case of payment of default**,** additional interest at the rate of 2% above the interest rate for the facilities on the overdue interest, costs, charges or expenses and/or from the respective due dates for payment and/or repayment will have to be paid.
- Delay in payment of vehicle loans will attract penal interest of 2% on the overdue amount.
- in case of default in the repayment the Bank and/or the RBI will have an unqualified right to disclose or publish the name of the company/firm or its directors/partners as defaulters in such manner and through

such medium as the Bank or RBI or such other agency authorized by them, in their absolute discretion may think fit.

- not sell, lease, transfer, create charge, hypothecate or create encumbrance of any nature whatsoever, or surrender or otherwise howsoever part with possession of the Asset, in any manner whatsoever without the consent in writing of the Lender. Any direct or indirect transfer of the Asset would be deemed to be criminal breach of trust and a case of cheating, entitling the Lender to file! pursue FIR or a criminal complaint against the Borrower. The said hypothecated Assets are in the custody of the Borrower in his capacity as a Bailee
- So long as any monies are due the Bank shall have a lien/charge for such amounts on all our credit balances, deposits, securities or other assets with, any of the branches of Bank of India or of its subsidiaries any where in the world and upon the happening of any of the events of default referred herein, Bank shall be entitled to exercise a right of set off between the amounts due and payable to Bank and the said credit balances, deposits, securities and other assets
- The bank reserves the right to discontinue any/all the credit facilities granted without giving us any prior notice in case non-compliance and/or breach of any of the terms and conditions based on which the facilities have been sanctioned to you and/or if any information/ particulars/ documents furnished by you re found to be incorrect.
- For the loan availed from Sundaram Finance Limited, upon occurrence of any default the borrower will be liable to pay within 10 days from the date of receipt of notice from the Lender: Arrears of installments, Instalments for the remaining period, which would have been payable by the Borrower, if the agreement had run to its full term, Additional interest at the rate on the principal outstanding and on the other amounts due, all other sums and charges of whatsoever nature, including, but not limited to interest on account of default in payment of insurance premia, and on account of other taxes. Seizure of asset without notice to the Borrower in case the asset is being used for unlawful purposes and or is being subject to wear and tear.

This is an indicative list and there may be such other additional terms under the various borrowing arrangements entered into by our Company

UNSECURED BORROWINGS

Our Company has availed the following unsecured loans as under:

Amount in ₹ lakhs

Category of borrowing	Outstanding amount as on March 31, 2021
Wellwin Water Proofings Private Limited	22
Trigeo Technologies Private Limited	400
Jayasree Anumolu	375
Amrith Anumolu	8
Bharat Anumolu	72.75
Velu Jeyapaul Singh	7
Public deposits from members of the Company	278.71
Total	**1,163.46**

Our Wholly Owned Subsidiary and Controlled Entity have not availed any unsecured loans as of March 31, 2021.

MARKET PRICE INFORMATION

Our Company's Equity Shares have been listed and actively being traded on BSE and NSE from year 2015.

a) Year is a Financial Year;

b) Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;

c) High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and

d) In case of two days with the same high / low / closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares

The high, low and average market closing prices recorded on the Stock Exchanges during the last three years and the number of Equity Shares traded on these days are stated below:

a) **BSE Limited**

Financial Year	High (₹)	Date of high	No. of shares traded on date of high	Total volume traded on date of high (in ₹)	Low (₹)	Date of low	No. of shares traded on date of low	Total volume of traded on date of low (in ₹)	Average price for the year (₹)
2021	11.85	December 23, 2020	12857	141195	6	May 4, 2020	6523	45975	8.93
2020	19.45	May 10, 2019	55	878	6.20	December 18, 2019	1733	12259	11.72
2019	66.50	April 18, 2018	4418	265977	13.8	March 29, 2019	20757	299020	32.26

(Source: www.bseindia.com)

b) National Stock Exchange of India Limited

Financial Year	High (₹)	Date of high	No. of shares traded on date of high	Total volume traded on date of high (in ₹)	Low (₹)	Date of low	No. of shares traded on date of low	Total volume of traded on date of low (in ₹)	Average price for the year (₹)
2021	11.95	December 23, 2020	79115	8,64,797.85	5.80	April 20, 2020	24601	1,57,948.80	9.07
2020	20.80	May 7, 2019	35849	6,41,581.70	6.05	March 9, 2020	1132	7,231.85	12.02
2019	56.75	April 12, 2018	228	12,325.90	14.1	February 19, 2019	15559	2,29,555.25	31.49

(Source: www.nseindia.com)
Notes:
High, low and average prices are based on the daily closing prices.
In case of two days with the same high or low price, the date with the high volume has been considered.

Market Prices for the last six calendar months

The total number of days trading during the past six months, from April 2021 to September 2021 was 123. The average volume of Equity Shares traded on BSE was 9531.54 per day.

The high and low prices and volume of Equity Shares traded on the respective date on BSE during the last six months preceding the date of filing of this Draft Letter of Offer are as follows:

a) **BSE Limited**

Month	Date of high	High (₹)*	Volume (No. of shares)	Total volume traded on date of high (in ₹)	Date of low	Low (₹)*	Volume (No. of shares)	Total volume traded on date of low (in ₹)	Average price for the month (₹)**
Apr 2021	April 15, 2021	10.47	2241	22212	April 12, 2021	9.63	2616	26738	10.06
May 2021	May 6, 2021	15.19	119430	1675679	May 3, 2021	10.12	2638	25425	12.95
June 2021	June 1, 2021	14.66	15990	232475	June 29, 2021	13.01	1292	17099	13.88
July 2021	July 30, 2021	17.06	68281	1153268	July 1, 2021	12.92	9977	129744	14.29
August 2021	August 4, 2021	18.85	8269	147846	August 24, 2021	13.2	792	10765	15.06
September 2021	Septemb er 15, 2021	14.54	3493	49283	Septemb er 30, 2021	12.6	6837	87384	13.41

(Source: www.bseindia.com)
** High and low prices are based on the high and low of the daily closing prices.*
***Average of the daily closing prices.*

b) **National Stock Exchange of India Limited**

The total number of days trading during the past six months, from April 2021 to September was 81. The average volume of Equity Shares traded on NSE was 40027.02 per day.

The high and low prices and volume of Equity Shares traded on the respective date on NSE during the last six months preceding the date of filing of this Draft Letter of Offer are as follows:

Month	Date of high	High (₹)*	Volume (No. of shares)	Total volume traded on date of high (in ₹)	Date of low	Low (₹)*	Volume (No. of shares)	Total volume traded on date of low (in ₹)	Average price for the month (₹)**
Apr 2021	April 13, 2021	11.45	55348	5,75,723.75	April 13, 2021	8	55348	5,75,723.75	9.91
May 2021	May 7, 2021	15.45	231688	33,37,471.50	May 4, 2021	9.25	23078	2,38,985.70	12.79
June 2021					**DID NOT TRADE**				
July 2021	July 30, 2021	16.95	59635	9,95,151.65	July 22, 2021	13.2	12709	1,73,513.05	14.80
August 2021	August 3, 2021	18.60	37165	6,91,269	August 12, 2021	13.4	29070	3,99,222.60	15.10
September 2021	Septemb er 1, 2021	14.45	34801	4,75,354.70	Septemb er 24, 2021	12.35	21563	2,78,588.30	13.36

(Source: www.nseindia.com)
** High and low prices are based on the high and low of the daily closing prices.*
***Average of the daily closing prices.*

In the event the high or low or closing price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter.

The Board of our Company has approved the Issue at their meeting held on May 7, 2021. The high and low prices of our Company's shares as quoted on BSE and NSE on May 10, 2021, the day on which the trading happened immediately following the date of the Board meeting is as follows:

Date	Volume (No of equity Shares)	Highest Price (₹)	Low price (₹)
BSE	18142	14.4	13
NSE	78354	13.95	13

Source: www.bseindia.com and www.nseindia.com

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (i) criminal proceedings involving our Company, Directors, Wholly Owned Subsidiary or Controlled Entity or Promoters; (ii) actions by any statutory or regulatory authorities involving our Company, Directors, Wholly Owned Subsidiary or Controlled Entity or Promoters; or (iii) claim involving our Company, Directors, Wholly Owned Subsidiary or Controlled Entity or Promoters for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved), (iv) proceeding involving our Company, Directors, Wholly Owned Subsidiary or Controlled Entity or Promoters (other than proceedings covered under (i) to (iii) above) which has been determined to be "material" pursuant to the materiality policy approved by our Board in its meeting held on August 13, 2021 ("Materiality Policy") (as disclosed herein below).

In terms of the Materiality Policy, other than outstanding criminal proceedings, actions taken by any statutory or regulatory authority and claims for any direct or indirect tax liabilities mentioned in point (i) to (iii) above, all other pending litigation:

A. involving our Company, Promoters, Directors and Wholly Owned Subsidiary or Controlled Entity:

i. where the aggregate monetary claim made by or against our Company, in any such pending litigation proceeding is in excess of 100 lakhs. Accordingly, we have disclosed all such outstanding litigation proceedings where the aggregate monetary claim made by or against our Company, in any such pending litigation proceeding is in excess of ₹ 100 lakhs; and

ii. where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could, nonetheless may have a material adverse effect on the position, business, operations, prospects or reputation of our Company have been considered "material";

B. involving our Directors and our Promoters (individually or in aggregate), the outcome of which would materially and adversely affect the business, operations, prospects, financial position or reputation of our Company, irrespective of the amount involved, has been considered as material.

Further, except as disclosed in this section, there are no (i) disciplinary action taken against any of our Promoters by SEBI or the Stock Exchange in the five Fiscals preceding the date of this Draft Letter of Offer; and (ii) litigation involving our Wholly Owned Subsidiary or Controlled Entity which may have a material impact on our Company.

*Further, in accordance with the Materiality Policy, a creditor of our Company, shall be considered to be material creditor (except banks and financial institutions from whom the Company has availed financing facilities) for the purpose of disclosure in the offer documents, if amounts due to such creditor exceeds 7.50 per cent of the total outstanding payable to the creditors of our Company as per the most recently completed Fiscal as per the Restated Standalone Financial Information. Accordingly, we have disclosed consolidated information of outstanding dues owed to any creditors of our Company, separately giving details of number of cases and amount for all dues where each of the dues exceed ₹ 171.66 lakhs (being approximately 7.50 per cent. of total outstanding payable to the creditors of our Company as at March 31, 2021 as per the Audited Financial Statements of the Company as at and for the year ended March 31, 2021) ("**Material Dues**"). Further, in accordance with the Materiality Policy for the disclosure of the outstanding dues to any party which is a micro, small or a medium enterprise ("**MSME**") will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

Unless stated to the contrary, the information provided in this section is as of the date of this Draft Letter of Offer. All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.

1. LITIGATION INVOLVING OUR COMPANY

i. Litigation against our Company

1. Criminal Proceedings

Nil

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Below are the details of pending tax cases involving our Company as of the date of this Draft Letter of Offer, specifying the number of cases pending and the total amount involved:

(₹ in lakhs)

Particulars	Number of cases	Amount involved*
	Indirect Tax	
VAT	5	16.93^
Central Sales Tax	15	594.16#
Service Tax	Nil	Nil
Total	**20**	**611.09**
	Direct Tax	
Cases filed against our Company	Nil	Nil
Cases filed by our Company	Nil	Nil
Total	**Nil**	**Nil**

**To the extent quantifiable*

^An amount of Rs. 1.92 lakhs has been paid by the Company under protest.

#An amount of Rs. 58.15 lakhs has been paid by the Company under protest

4. *Other Material Litigations*

a) On May 17, 2019 a Company Petition has been filed by our erstwhile Managing Director, Mr. Bharat Anumolu before the National Company Law Tribunal against our Company and members of our Company i.e. Mr. Amrith Anumolu, Mr. Ramaswamy Gowrishanker and Mrs. Jayashree Anumolu under Section 241 to 244 of the Companies Act 2013 seeking certain relief and action against the Directors of the Company citing oppression and mismanagement of the Company and to protect the minority interest and other genuine shareholders. The Petition is not yet numbered. The Company has intimated to the stock exchange about this application filed before the NCLT by the erstwhile Managing Director. The matter is pending before NCLT and there have been no material updates to this matter.

5. *Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals*

Except as stated below, no disciplinary action has been taken against our Company by SEBI or Stock Exchanges in the past five years or is outstanding against us, as on date of this Draft Letter of Offer:

a) SEBI *vide* order dated July 13, 2017, had imposed a penalty under provisions of section 15A (b) of the SEBI Act against our Company and some of our Promoters for the delay in making disclosures under Regulation 8 (3) of the SAST Regulations, 1997 for the years 2002, 2007 and 2009 to the Madras Stock Exchange. Our Company on July 31, 2017, had paid the penalty of ₹ 3.00 lakhs imposed by SEBI via demand draft bearing number 481606 dated July 28, 2017 drawn on Bank of India.

ii. Litigation by our Company

1. *Criminal Proceedings*

a) A calendar case bearing number 9249 of 2018 was filed by our Company before Hon'ble court of the The Metropolitan Magistrates Courts, Saidapet, Chennai against M/s. Seaanchor Exports and others (the "**Accused**") under Section 138 of the Negotiable Instrument Act, 1881 for dishonor of cheque issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 0.50 lakhs. Presently the case is pending before the Hon'ble court of 7-Metropolitan Magistrate (FTC-III) and is listed for hearing on December 9, 2021.

b) A calendar case bearing number 2200401 of 2015 was filed by our Company before the Hon'ble court of the Chief Judicial Magistrate Court, Coimbatore against Panneerselvam T (the "**Accused**") under

Section 138 of the Negotiable Instrument Act, 1881 for dishonor of cheques issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 0.25 lakhs. Presently the case is pending before the Hon'ble court of 22-Judicial Magistrate No. II and is listed for hearing on November 12, 2021.

c) A calendar case bearing number 400993 of 2011 was filed by our Company before the Hon'ble court of the Chief Judicial Magistrate at Ernakulam against M/s. Lal Group of India and anr (the "**Accused**") under Sections 138 and 142 of the Negotiable Instrument Act, 1881 read with Section 190(1)(a) of the Code of Criminal Procedure, 1973 for dishonor of cheques issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 8.17 lakhs.

d) A criminal petition was filed by our Company in the year 2016 before the Hon'ble court of the IV Additional Chief Metropolitan Magistrate, Hyderabad against M/s. Gollapudi Uday Krishna (the "**Accused**") under Section 138 of the Negotiable Instrument Act, 1881 read with Section 200 of the Code of Criminal Procedure, 1973 for dishonor of cheques issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 1.00 lakhs.

e) A calendar case bearing number 18592 of 2012 was filed by our Company before the Hon'ble Additional Chief Metropolitan Magistrate Court Bangalore, Bengaluru against M/s. GSK projects & Engineering Private Limited (the "**Accused**") under Sections 138 and 142 of the Negotiable Instrument Act, 1881 read with Section 200 of the Code of Criminal Procedure, 1973 for dishonor of cheques issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 7.00 lakhs. The case was disposed off in favour of the Respondent and the Company has filed a criminal appeal bearing number 6 of 2019 before the Hon'ble High Court of Karnataka.

f) A criminal case bearing number OS-42-635 of 2018 was filed by our Company before the Hon'ble Additional Chief Metropolitan Magistrate at Bangalore against Mr. K. Basawaraj (the "**Accused**") under Sections 138 and 142 of the Negotiable Instrument Act, 1881 read with Section 200 of the Code of Criminal Procedure, 1973 for dishonor of cheques issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 25.93 lakhs.

g) A criminal case bearing number 872 of 2014 was filed by our Company before the Hon'ble Metropolitan Magistrate at Ahmedabad against M/s. Avon Insulation (the "**Accused**") under Section 138 of the Negotiable Instrument Act, 1881 for dishonor of cheques issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 15.40 lakhs.

h) A complaint case bearing number 14000 of 2020 was filed by our Company before Hon'ble court of the Chief Metropolitan Magistrate, South-West Dwarka against M/s H Reck Engineers (the "Accused") under Section 138 of the Negotiable Instrument Act, 1881 for dishonor of cheque issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹36 lakhs. Presently the case is pending before the Hon'ble court of 760-Metropolitan Magistrate and is listed for hearing on November 9, 2021.

i) A complaint case bearing number 17023 of 2019 was filed by our Company before Hon'ble court of the Chief Metropolitan Magistrate, South-West Dwarka against M/s. SNV Polymers Pvt. Ltd. (the "Accused") under Section 138 of the Negotiable Instrument Act, 1881 read with Section 420 of the Indian Penal Code for dishonor of cheque issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 22.01 lakhs. Presently the case is pending before the Hon'ble court of 433-Metropolitan Magistrate and is listed for hearing on November 26, 2021.

j) A summary criminal case bearing number 415767 of 2012 was filed by our Company before the JMFC Court 1, Thane against Iqbal Mulla (M/s. Micro-Leanz Clean Room Devices) (the "Accused") under Sections 138 of the Negotiable Instrument Act, 1881 for dishonor of cheques issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 6.62 lakhs. The case was disposed off in favour of the Respondent and the Company has filed a criminal appeal bearing number 266 of 2019 before the Hon'ble High Court of Bombay.

k) A private summon case bearing number 3304778 of 2015 was filed by our Company before Additional Metropolitan Magistrate, Ballard pier, Mumbai, against M/s. Zalak Isulations (the "Accused") under

Section 138 of the Negotiable Instrument Act, 1881 for dishonor of cheque issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 5.73 lakhs. Presently the case is pending before the Hon'ble court of 2-Metropolitan Magistrate, 33rd Court and is listed for hearing on October 7, 2021.

2. *Civil and other Material Litigations*

A company petition bearing number C.P. (IB) – 540/2021 was filed by our Company before the Hon'ble National Company Law Tribunal, Mumbai Bench against H'Reck Engineers Private Limited (the "**Corporate Debtor**") under Section 9 of the Insolvency and Bankruptcy Code, 2016 for initiation of corporate insolvency resolution process (CIRP) against the Corporate Debtor for non-payment of dues. The amount outstanding and being claimed by the Company is Rs. 302.14 lakhs. The petition has been registered on May 31, 2021 however the case is yet to be listed.

2. LITIGATION INVOLVING OUR PROMOTERS

Cases filed against our Promoter

1. *Criminal Proceedings*

Nil

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Nil

4. *Other Material Litigations*

Nil

5. *Disciplinary action against our Promoters by SEBI or any stock exchange in the last five Fiscals*

Nil

Cases filed by our Promoter

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

3. LITIGATION INVOLVING OUR DIRECTORS

Cases filed against our Directors

1. *Criminal Proceedings*

Nil

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Nil

4. *Other Material Litigations*

Nil

5. *Disciplinary action against our Directors by SEBI or any stock exchange in the last five Fiscals*

Nil

Cases filed by our Directors

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

4. LITIGATION INVOLVING OUR WHOLLY OWNED SUBSIDIARY AND CONTROLLED ENTITY

Cases filed against our Wholly Owned Subsidiary and Controlled Entity

1. *Criminal Proceedings*

Nil

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Nil

4. *Other Material Litigations*

Nil

5. *Disciplinary action against our Wholly Owned Subsidiary and Controlled Entity by SEBI or any stock exchange in the last five Fiscals*

Nil

Cases filed by our Wholly Owned Subsidiary or Controlled Entity

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

5. OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

In terms of the Materiality Policy dated August 13, 2021 our Company has **2** material creditors, as on March 31, 2021.

As on March 31, 2021, the details of amounts outstanding towards small scale undertakings and material creditors are as follows:

(₹ in lakhs)

Particulars	No. of Creditors	Amount
Outstanding dues to small scale undertakings	Nil	Nil
Outstanding dues to material creditors	2	386.56
Total outstanding dues	**2**	**386.56**

6. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoters and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled "*Objects of the Issue*" at page 64 of this Draft Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors in its meeting dated May 7, 2021 have authorised this Issue under Section 62(1) (a) of the Companies Act, 2013.

Our Board of Directors has, at its meeting held on [●], determined the Issue Price as ₹ [●] per Rights Equity Share in consultation with the Lead Manager. Our Board of Directors has, at its meeting held on May 7, 2021, determined, the Rights Entitlement in consultation with the Lead Manager as 1 (one) Rights Equity Share for every 3 (three) Equity Shares held on the Record Date.

Our Company has received 'in-principle' approvals for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, *vide* letters dated [●] and [●] issued by BSE and NSE, respectively for listing of the Rights Equity Shares to be Allotted pursuant to the Issue.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Further, our Promoters and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None of our Directors or Promoters are associated with the securities market in any manner. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Our Company and some of our Promoters were involved in SEBI proceedings and were fined ₹ 3.00 lakhs for certain non-compliance of the provisions of SAST Regulations, 1997 in the year 2017. Our Company had delayed in making the disclosures to the Madras Stock Exchange required under the SAST Regulations, 1997. Our Company has paid the aforementioned fine and there have been no further communication from SEBI in this regard. For details, please see *'Outstanding Litigation and Material Developments - Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals'* on page 149 of this Draft Letter of Offer.

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Draft Letter of Offer.

Eligibility for the Issue

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE and NSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clauses (1) and (2) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE is the Designated Stock Exchange for the Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT LETTER OF OFFER TO THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. THE LEAD MANAGER, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 ("SEBI ICDR REGULATIONS"). THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED OCTOBER 25, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS, WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT LETTER OF OFFER PERTAINING TO THE ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

   a) **THIS DRAFT LETTER OF OFFER IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

   b) **ALL THE MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   c) **THE MATERIAL DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, TO THE EXTENT APPLICABLE, SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE.**

6. **WE CERTIFY THAT REGULATION 15 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE.**

7. **WE UNDERTAKE THAT SUB-REGULATION (3) OF REGULATION 14 AND CLAUSE (C) AND (D) OF SUB-REGULATION (9) OF REGULATION 25 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE.**

8. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE CREDITED/TRANSFERRED IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40(3) OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOT APPLICABLE. THIS BEING A RIGHTS ISSUE, SECTION 40(3) OF THE COMPANIES ACT, 2013 IS NOT APPLICABLE. FURTHER, TRANSFER OF MONIES RECEIVED PURSUANT TO THE ISSUE SHALL BE RELEASED TO THE COMPANY AFTER FINALISATION OF THE BASIS OF ALLOTMENT IN COMPLIANCE WITH REGULATION 90 OF THE SEBI ICDR REGULATIONS, AS AMENDED.**

9. **WE CERTIFY THAT THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE "MAIN OBJECTS" IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST 10 YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. - COMPLIED TO THE EXTENT APPLICABLE.**

10. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:**

    a) **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY. AS ON**

THE DATE OF THIS DRAFT LETTER OF OFFER, OUR COMPANY HAS NOT ISSUED ANY SR EQUITY SHARES AND THERE ARE NO OUTSTANDING SR EQUITY SHARES; AND

b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

11. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS, AS AMENDED WHILE MAKING THE ISSUE – NOTED FOR COMPLIANCE.

12. WE CONFIRM THAT THE ISSUER IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF THE SEBI ICDR REGULATIONS – NOT APPLICABLE.

13. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.- COMPLIED WITH.

14. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, AS AMENDED, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.- COMPLIED WITH.

THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS DRAFT LETTER OF OFFER.

Disclaimer from our Company, our Directors and the LM

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website http://www.beardsell.co.in/ or the respective websites of our Promoter Group or an affiliate of our Company would be doing so at his or her own risk.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Investors will be required to confirm and will be deemed to have represented to our Company, Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

No information which is extraneous to the information disclosed in this Draft Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding centers.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

Disclaimer in respect of Jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Tamil Nadu, India only.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with the Stock Exchange.

Disclaimer Clause of NSE

As required, a copy of this Draft Letter of Offer has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with the Stock Exchange.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE.

Listing

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Selling Restrictions

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this the Draft Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI and the Stock Exchanges.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHERJURISDICTION AT ANY TIME.

Consents

Consents in writing of: our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, the Lead Manager, legal advisor, the Registrar to the Issue and the Bankers to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Our Company has received written consent dated October 25, 2021 from S.R. Batliboi & Associates LLP, Chartered Accountants to include their name as required under the SEBI ICDR Regulations, in this Draft Letter of Offer, and as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in their capacity as our Statutory Auditors and in respect of their (i) examination report dated October 25, 2021 on our Restated Consolidated Summary Statements for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019; (ii) review report dated October 25, 2021 on our Unaudited Interim Condensed Consolidated Financial Statements for the three months period ended June 30, 2021 and (iii) their report dated October 25, 2021 on the Statement of special tax benefits available to the Company and its shareholders under the applicable tax laws in India in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Expert Opinion

Our Company has received written consent dated October 25, 2021 from S.R. Batliboi & Associates LLP, Chartered Accountants to include their name as required under the SEBI ICDR Regulations in this Draft Letter of Offer, and as an ‘expert’ as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors and in respect of their (i) examination report dated October 25, 2021 on our Restated Consolidated Summary Statements for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019; (ii) review report dated October 25, 2021 on our Unaudited Interim Condensed Consolidated Financial Statements for the three months period ended June 30, 2021 and (iii) their report dated October 25, 2021 on the Statement of special tax benefits available to the Company and its shareholders under the applicable tax laws in India in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term ‘expert’ shall not be construed to mean an “expert” as defined under the U.S. Securities Act.
Except as stated above, our Company has not obtained any expert opinions.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Draft Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates

Our Wholly Owned Subsidiary is not listed as on date of this Draft Letter of Offer.

Stock Market Data of the Equity Shares

Our Equity Shares are listed and traded on BSE and NSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled "*Market Price Information*" on page 146 of this Draft Letter of Offer.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with BSE Limited and National Stock Exchange of India Limited and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Cameo Corporate Services Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue or our Company Secretary for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process or the optional mechanism R-WAP process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of the R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process) and copy of the e-acknowledgement (in case of the R-WAP process).For details on the ASBA process and R-WAP, see "*Terms of the Issue*" beginning at page 165 of this Draft Letter of Offer. The contact details of our Registrar to the Issue and our Company Secretary are as follows:

Registrar to the Issue

Cameo Corporate Services Limited
Subramanian Building,
No. 01, Club House Road,
Chennai- 600 002,
Tamil Nadu, India.

Telephone: +91044 4002 0700/ 0710/ 2846 0390
E-mail: cameo@cameoindia.com
Website: www.cameoindia.com
Investor Grievance e-mail: investor@cameoindia.com
Contact Person: Sreepriya K.
SEBI Registration No.: INR000003753

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/ Refund Orders etc.

Krishnamurthy Murali, Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder:

47, Greams Road, Chennai, Tamil Nadu, 600006
Telephone: +91 44 2829 3296/28290900
Facsimile: +91 44-28290391
E-mail: km@beardsell.co.in

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, before submitting an Application Form. Our Company and the Lead Manager are not liable for any amendments, modifications or changes in applicable law which may occur after the date of the Letter of Offer. Investors who are eligible to apply under the ASBA process or, R-WAP, as the case may be, are advised to make their independent investigations and to ensure that the Application Form and the Rights Entitlement Letter is correctly filled up.

*Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 ("**SEBI – Rights Issue Circular**"), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility. However, in view of the COVID-19 pandemic and the lockdown measures undertaken by Central and State Governments, relaxation from the strict enforcement of the SEBI – Rights Issue Circular has been provided by SEBI, vide its Circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020, Circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, Circular SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and Circular SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021. As per the said circulars, all eligible shareholders shall be able to apply to this Issue through an optional mechanism (non- cash mode only), in this case being R-WAP in addition to the ASBA facility.*

The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, including the Application Form and the Rights Entitlement Letter, the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, applicable guidelines and regulations issued by SEBI or other statutory authorities and bodies from time to time, the SEBI Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.

OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchanges and terms and conditions as stipulated in the Allotment Advice.

Important:

1) *Dispatch and availability of Issue materials:*

In accordance with the SEBI ICDR Regulations, SEBI circulars SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, Circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, Circular SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, Circular SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021 and the MCA Circular, our Company will send the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material, through email to the email addresses and physical delivery through speed post to all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. The Letter of Offer will be provided, only through email and speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

a) Our Company at www.beardsell.co.in
b) the Registrar to the Issue at https://rights.cameoindia.com/beardsell
c) the Lead Manager at www.saffronadvisor.com
d) the Stock Exchanges at www.bseindia.com and www.nseindia.com; and
e) the Registrar's web-based application platform at https://rights.cameoindia.com/beardsell ("**R-WAP**")

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at (*i.e.*, https://rights.cameoindia.com/beardsell) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.beardsell.co.in).

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out to the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form. Resident Eligible Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number.

a. Facilities for Application in this Issue:

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021 (Collectively hereafter referred to as "**SEBI Rights Issue Circulars**") and SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (Collectively hereafter referred to as "**ASBA Circulars**"), all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP. Kindly note that Non-Resident Investors cannot apply in this Issue using the R-WAP facility, however such Investors can apply through R-WAP, if they have provided an Indian address to our Company or to the Registrar or they are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. Investors should note that the ASBA process involves procedures that are different from the procedure under the R-WAP process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP. For details, see "*Procedure for Application through the ASBA Process*" and "*Procedure for Application through R-WAP*" on pages 175 and 176 respectively.

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk on the website of the Registrar to the Issue at www.cameoindia.com or call helpline number (+91 (22) 4918 6200). For details, see "*Procedure for Application through R-WAP*" on page 176.

Registrar's Web-based Application Platform (R-WAP): In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021, a separate web based application platform, i.e., the R-WAP facility (accessible at https://rights.cameoindia.com/beardsell), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds.

PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE "*RISK FACTOR NUMBER 45- THE R-WAP PAYMENT MECHANISM FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS*" ON PAGE 43.

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk (https://rights.cameindia.com/beardsell) or call helpline number (+91 (22) 4918 6200). For details, see "*Procedure for Application through the R-WAP*" on page 176.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021our Company will make use of advertisements in television channels, radio, internet etc., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India.

b. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "BEARDSELL RIGHTS ISSUE – SUSPENSE ESCROW DEMAT ACCOUNT") opened by our Company, for the Resident Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Resident Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

Resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. [●], [●] are requested to provide relevant details (such as copies of self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares) not later than two Working Days prior to the Issue Closing Date i.e. [●], [●] in order to be eligible to apply for this Issue. Such Resident Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

In accordance with the SEBI Rights Issue Circulars, the Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. [●], [●], shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

c. Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form:

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in "*Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form*" on page 182.

d. *Application for Additional Equity Shares*

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "*Basis of Allotment*" beginning on page 190.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

e. Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled "*Procedure for Application through the ASBA process*" and "*Procedure for Application through R-WAP*" on pages 175 and 176 of the Letter of Offer.

f. *Other important links and helpline:*

The Investors can visit following links for the below-mentioned purposes:

a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: https://rights.cameindia.com/beardsell
b) Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: https://rights.cameindia.com/beardsell
c) Updation of demat account details by resident Eligible Equity Shareholders holding shares in physical form: https://rights.cameindia.com/beardsell

Renouncees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

Authority for the Issue

The Board of Directors in its meeting dated May 7, 2021 have authorised this Issue under Section 62(1) (a) of the Companies Act, 2013.

The Board of Directors in their meeting held on [●] have determined the Issue Price at ₹ [●] per Equity Share. Further the Board of Directors in their meeting held on May 7, 2021 has in consultation with the Lead Manager determined the Rights Entitlement as 1 Rights Equity Share(s) for every 3 fully paid up Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager.

Our Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letters dated [●] and [●], respectively.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

Rights Entitlement ("REs") (Rights Equity Shares)

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to the number of Rights Equity Shares as set out in the Application Form.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (https://rights.cameindia.com/beardsell) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (https://rights.cameindia.com/beardsell).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and applying through R-WAP.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form to the email addresses as well as to the physical addresses of Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchanges' websites. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer will be filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹2.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) in the Issue. The Issue Price has been arrived at by our Company in consultation with the Lead Manager prior to the determination of the Record Date.

The Rights Equity Shares issued in this Issue will be fully paid-up. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Board, at its meeting held on [●], has determined the Issue Price, in consultation with the Lead Manager.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 1 Rights Equity Share(s) for every 3 Equity Share(s) held on the Record Date.

Rights of instrument holder

Each Rights Equity Share shall rank pari passu with the existing Equity Shares of the Company.

Terms of Payment

The entire amount of the Issue Price of ₹ [●] per Rights Equity Share shall be payable at the time of Application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 1 Rights Equity Share(s) for every 3 Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Share(s) or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Shareholder will be entitled to [●] Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for additional Rights Equity Shares.

Also, those Equity Shareholders holding less than [●] Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (One) Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. **Application Forms with zero**

entitlement will be non-negotiable/non-renounceable.

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue Closing date the depositories will suspend the ISIN of REs for transfer and once the allotment is done post the basis of allotment approved by the designated stock exchange, the separate ISIN no. [●] for REs so obtained will be permanently deactivated from the depository system.

The existing Equity Shares of our Company are listed and traded under the ISIN: INE520H01022 on BSE (Scrip Code: 539447) and on NSE (Symbol: BEARDSELL). Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE and NSE subject to necessary approvals. Our Company has received in-principle approval from BSE and NSE through letter no. [●] dated [●] and [●] dated [●], respectively. All steps for completion of necessary formalities for listing and commencement of trading in the equity shares will be taken within 7 working days from the finalisation of the Basis of Allotment. Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company. The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the Stock Exchange.

The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time.

If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE and NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as applicable.

For details of trading and listing of Rights Equity Shares, please refer to the heading "*Terms of Payment*" at page 170 of this Draft Letter of Offer.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoters and Promoter Group, see "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue*" on page 150.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association

General terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. Application Forms would be required to be signed by all the joint holders to be considered valid.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

New Financial Instruments

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected unless the securities are held in the dematerialized form with a depository

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send, through email and speed post, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Further, our Company along with the Lead Manager will undertake all adequate steps to dispatch the physical copies of the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one (1) Tamil language daily newspaper with wide circulation at the place where our Registered Office is situated.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021, our Company will make use of advertisements in television channels, radio, internet etc., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India. The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or the optional mechanism. Kindly note that the R-WAP mechanism is available only for resident Investors. Kindly note that Non-Resident Investors cannot apply in this Issue using the R-WAP facility, however such Investors can apply through R-WAP, if they have provided an Indian address to our Company or to the Registrar or they are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. Further, the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date can apply for this Issue through ASBA facility or R-WAP. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see "*Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form*" on page 182.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, the Lead Manager, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email and speed post at least three days before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

a) Our Company at www.beardsell.co.in
b) the Registrar to the Issue at https://rights.cameindia.com/beardsell
c) the Lead Manager at www.saffronadvisor.com
d) the Stock Exchanges at www.bseindia.com and www.nseindia.com; and
e) the Registrar's web-based application platform at https://rights.cameindia.com/beardsell ("**R-WAP**")

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., https://rights.cameindia.com/beardsell) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.beardsell.co.in). The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. Further, in accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date can apply through this Issue by first furnishing the details of their demat account along with their self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares at least two Working Days prior to the Issue Closing Date i.e. [●], [●], after which they can apply through ASBA facility or R-WAP.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on R-WAP platform available at https://rights.cameindia.com/beardsell and make online payment using the internet banking or UPI facility from their own bank account thereat. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Please note that

Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking or UPI details (in case of Application through R-WAP which is available only for resident Investors).

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Incorrect depository account details or PAN number could lead to rejection of the Application. For details see "*Grounds for Technical Rejection*" on page 188. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "*Application on Plain Paper under ASBA process*" on page 179 .

Options available to the Eligible Equity Shareholders

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at https://rights.cameindia.com/beardsell and link of the same would also be available on the website of our Company at (www.beardsell.co.in). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. [●], [●], desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period through ASBA mode or R-WAP. Such resident Eligible Equity Shareholders must check the procedure for Application in "*Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form*" on page 182.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Procedure for Application through R-WAP:

In accordance with the SEBI Circulars, a separate web based application platform, i.e., the R-WAP facility (accessible at https://rights.cameindia.com/beardsell), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process and R-WAP facility should be utilized only in the event that Investors are not able to utilize the ASBA facility for making an Application despite their best efforts.

At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP. Resident Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds.

Set out below is the procedure followed using the R-WAP:

1. Prior to making an Application using the R-WAP facility, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the relevant bank account is less than the total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash payment mechanism in accordance with the SEBI Circulars.

2. Resident Investors should visit R-WAP (accessible at https://rights.cameindia.com/beardsell) and fill the online Application Form available on R-WAP in electronic mode. Please ensure that you provide correct DP ID, Client ID, PAN and Folio number (for resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) along with all other details sought for while submitting the online Application Form.

3. Non-resident Investors are not eligible to apply in this Issue through R-WAP.

4. Investors should ensure that Application process is verified through the e-mail / phone / mobile number or other means as applicable. Post due verification, Investors can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Equity Shares to be applied for in the Issue. Please note that the Application Money will be determined based on number of Equity Shares applied for.

5. Investors who are Renouncees should select the category of 'Renouncee' at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renouncees shall also be required to provide the required Application details, such as total number of Equity Shares applied for in the Issue.

6. The Investors shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.

7. Verification, if any, in respect of Application through Investors' own bank account, shall be done through the latest beneficial position data of our Company containing Investor's bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.

8. The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account "[●]-COLLECTION ACCOUNT" opened by our Company with the Escrow Collection Bank(s).

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk (https://rights.cameindia.com/beardsell) or call helpline number (+91 (22) 4918 6200).

PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. OUR COMPANY, THE REGISTRAR AND THE LEAD MANAGER SHALL NOT BE RESPONSIBLE IF THE APPLICATION IS NOT SUCCESSFULLY SUBMITTED OR REJECTED DURING THE BASIS OF ALLOTMENT ON ACCOUNT OF FAILURE TO BE IN COMPLIANCE WITH THE SAME. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE "*RISK FACTOR NUMBER 43- THE R-WAP PAYMENT MECHANISM FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS*" ON PAGE 43.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on R-WAP, the optional mechanism devised by the Lead Manager and the Registrar and make online payment using their internet banking or UPI facility from their own bank account thereat. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange, and (ii) the R-WAP facility, will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "*Application on Plain Paper under ASBA process*" on page 179.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section titled "*Terms of the Issue*" on page 165. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "*Basis of Allotment*" on page 190.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("OCBs"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off - market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., [●] to [●] (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) ***Off Market Renunciation***

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Stock Exchanges, the Lead Manager or the R-WAP to provide requisite details.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Issuer, being Beardsell Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹ [●] per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in

case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;

- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- Additionally, all such Applicants are deemed to have accepted the following:

*"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("**US Securities Act**") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("**United States**") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("**Regulation S**"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

"*I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.*

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at https://cameoindia.com/. Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Last date for Application

The last date for submission of the duly filled in Application Form is [●]. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the

Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date.

If the Application together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue or the Registrar on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under "*Terms of the Issue - Basis of Allotment*" on page 190.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through RWAP. For details of mode of payment in case of Application through R-WAP, see "- *Procedure for Application through the R-WAP*" on page 176.

Mode of payment for Resident Investors

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through the R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility.

Mode of payment for Non-Resident Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of

Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at priya@cameoindia.com.

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company or the Lead Manager.

  Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary ("**NRO**") accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

Procedure for application by Resident Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery

so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;

2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

3. The remaining procedure for Application shall be same as set out in "*Application on Plain Paper under ASBA process*" beginning on page 179.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE.

FOR DETAILS, SEE "ALLOTMENT ADVICES/ REFUND ORDERS" ON PAGE 191.

General instructions for Investors

(a) Please read the Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.

(b) In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

(c) Please read the instructions on the Application Form sent to you.

(d) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.

(e) Application should be made only through the ASBA facility or using R-WAP.

(f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.

(g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Application on Plain Paper under ASBA process*" on page 179.

(h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA

Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using R-WAP.

(i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

(j) In case of Application through R-WAP, the Investors should enable the internet banking or UPI facility of their respective bank accounts.

(k) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filled on R-WAP. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange, and (ii) R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

(l) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar and the Lead Manager.

(m) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.

(n) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

(o) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore, in case of Applications submitted using the optional facility, payments shall be made using internet banking or UPI facility. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.

(p) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

(q) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(r) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(s) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.

(t) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

(u) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

(v) In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager

Additional general instructions for Investors in relation to making of an Application

(a) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

(b) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

(c) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

(d) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(e) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(f) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(g) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(h) Do not pay the Application Money in cash, by money order, pay order or postal order.

(i) Do not submit multiple Applications.

(j) No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

(k) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Do's:

(a) Ensure that the Application Form and necessary details are filled in.

(b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.

(c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects.

(d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

(a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(d) Do not pay the Application Money in cash, by money order, pay order or postal order.

(e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

(a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

(b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

(c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

(d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.

(e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

(f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

(g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don’ts for Investors applying through ASBA:

a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.

b) Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Do’s for Investors applying through R-WAP:

a. Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application.

b. Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in the bank account through which payment is made using the R-WAP.

c. Ensure that you make the payment towards your Application through your bank account only and not use any third-party bank account for making the payment.

d. Ensure that you receive a confirmation e-mail or confirmation through other applicable means on successful transfer of funds.

e. Ensure you have filled in correct details of PAN, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date), DP ID and Client ID, as applicable and all such other details as may be required.

f. Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application.

Don’ts for Investors applying through R-WAP:

(a) Do not apply from bank account of third parties.

(b) Do not apply if you are a non-resident Investor.

(c) Do not apply from non-resident account.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.

(b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

(c) Sending an Application to our Company, the Lead Manager, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.

(d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(f) Account holder not signing the Application or declaration mentioned therein.

(g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

(h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

(i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

(k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.

(m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.

(n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

(o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

(p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

(q) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(r) Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

(s) Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds including in relation to insufficient funds available in the opted bank account):

(i) Applications by non-resident Investors.
(ii) Payment from third party bank accounts.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS OR THROUGH THE R-WAP, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms s are liable to be rejected.

Multiple Applications

A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, see "*Investment by Mutual Funds*" below on page 195.

In cases where multiple Applications are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group as described in *Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue*" on page 58.

Underwriting

The Issue is not underwritten.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the email withdrawal request to priya@cameoindia.com case of Application through R-WAP facility. However, no Investor, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

Issue schedule

Issue Opening Date	[●]
Last date for receiving requests for Application Form and Rights Entitlement Letter	[●]
Issue Closing Date	[●]
Finalising the basis of allotment with the Designated Stock Exchanges	[●]
Date of Allotment (on or about)	[●]
Initiation of refunds	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

**Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).*

***Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Lead Manager and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.*

Basis of Allotment

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Securities. Allotment under this head shall be considered if there are any unsubscribed Rights Securities after allotment under (a) above. If number of Rights Securities required for Allotment under this head are more than the number of Rights Securities available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares shall be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis as part of the Issue and will not be a preferential allotment.

(e) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

(f) After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

(a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;

(b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

(c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank with list of Allottees and corresponding amount to be transferred to the Allotment Account. Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank to refund such Applicants.

Allotment Advices/Refund Orders

Our Company will issue and dispatch Allotment advice, refund instructions (including in respect of Applications made through the optional facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the R-WAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or beforeT+1 day (T being the date of finalisation of Basis of Allotment).

In case of Applications through the R-WAP, refunds, if any, will be made to the registered bank account details in demat account. Therefore, the Investors should ensure that such bank accounts remain valid and active.

Investors residing at centres where clearing houses are managed by the RBI will get refunds through National Automated Clearing House ("**NACH**") except where Investors have not provided the details required to send electronic refunds or where the investors are otherwise disclosed as applicable or eligible to get refunds through direct credit and real-time gross settlement ("**RTGS**").

In case of those investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and the Allotment advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date. In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the R-WAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or beforeT+1 day (T being the date of finalisation of Basis of Allotment).

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form was available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019.

The letter of allotment or refund order would be sent by registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

Payment of Refund

Mode of making refunds

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

1. **Unblocking amounts blocked using ASBA facility**;

2. National Automated Clearing House ("NACH") – NACH is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the Depositories), except where the Applicant is otherwise disclosed as eligible to get refunds through NEFT, Direct Credit or RTGS.

3. National Electronic Fund Transfer ("NEFT") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, such MICR number and the bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

4. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for such refund would be borne by our Company.

5. RTGS – If the refund amount exceeds ₹ 200,000, Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event such IFSC Code is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for such refund would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

6. For all other Investors, the refund orders will be dispatched through speed post or registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.

7. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.In accordance with the SEBI Circular bearing number

SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the R-WAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalisation of Basis of Allotment).

Refund payment to Non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Option to receive Right Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE RESIDENT ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNTWHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALISED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (*care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company*). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders whose Equity Shares are with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.

- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to "*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" on page 182.

Investment by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent, except where pre-approval is provided.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended ("**SEBI VCF Regulations**") and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended ("**SEBI FVCI Regulations**") prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO counts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:
(i) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(ii) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(iii) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

Dematerialised Dealing

Our Company has entered into tripartite agreements dated April 15, 2006 and April 25, 2006 with NSDL and CDSL, respectively, and our Equity Shares bear the ISIN: INE520H01022.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the registered bank account, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be unblocked in the respective ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date and refunded in the respective bank accounts from which Application Money was received on or beforeT+1 day (T being the date of finalisation of Basis of Allotment), in case of applications made through R-WAP facility. In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021, in case of Applications made through the R-WAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or beforeT+1 day (T being the date of finalisation of Basis of Allotment). In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:

(a) All monies received out of the Issue shall be transferred to a separate bank account;

(b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;

(c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and

(d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

(i) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.

(ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.

(iii) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

(iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

(v) Other than any Equity Shares that may be issued pursuant to exercise options under the ESOP 2016 and ESOP 2018, no further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.

(vi) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

(vii) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.

(viii) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.

(ix) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.

(x) Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum subscription

The objects of the Issue involve financing other than financing of capital expenditure for a project and our Promoters and members of our Promoter Group have undertaken to (i) subscribe to the full extent of their respective Rights Entitlements, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR; and (ii) have also confirmed that they shall not renounce their Rights Entitlements, except to the extent of renunciation within the promoter group. Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold for filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with BSE Limited and National Stock Exchange of India Limited and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchanges will also be informed promptly.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchanges where the Equity Shares may be proposed to be listed.

Important

Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "*Risk Factors*" on page 27.

All enquiries in connection with this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "***Beardsell Limited – Rights Issue***" on the envelope to the Registrar at the following address:

Cameo Corporate Services Limited
Subramanian Building,
No. 01, Club House Road,
Chennai- 600 002,
Tamil Nadu, India.
Telephone: +91044 4002 0700/ 0710/ 2846 0390
E-mail: priya@cameoindia.com
Website: www.cameoindia.com
Investor Grievance e-mail: investor@cameoindia.com
Contact Person: Sreepriya K.
SEBI Registration No.: INR000003753

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar https://rights.cameoindia.com/beardsell. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 (22) 4918 6200.

The Issue will remain open for a minimum period of 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly knows as the Department of Industrial Policy and Promotion) ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2017 ("**FDI Circular 2017**"), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails. The Consolidated FDI Policy, issued by the DIPP, consolidates the policy framework in place as on August 27, 2017, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore the Consolidated FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII – STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at www.beardsell.co.in from the date of this Draft Letter of Offer until the Issue Closing Date.

1. Material Contracts for the Issue

(i) Issue Agreement dated September 20, 2021 entered into between our Company and the Lead Manager.

(ii) Registrar Agreement dated May 10, 2021 entered into amongst our Company and the Registrar to the Issue.

(iii) Escrow Agreement dated [●] amongst our Company, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank.

2. Material Documents

(i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.

(ii) Certificate of incorporation dated November 23, 1936.

(iii) Fresh certificate of incorporation dated November 10, 1969 consequent upon change of name of our Company to 'Mettur Beardsell Limited'.

(iv) Fresh certificate of incorporation dated October 1, 1983 consequent upon change of name of our Company to 'Beardsell Limited'.

(v) Resolution of the Board of Directors dated May 7, 2021 in relation to the Issue.

(vi) Resolution of the Board of Directors dated October 25, 2021 approving and adopting the Draft Letter of Offer.

(vii) Consent of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, Legal Advisor, the Registrar to the Issue, Banker to the Issue/ Refund Bank for inclusion of their names in this Draft Letter of Offer in their respective capacities.

(viii) Copies of Annual Reports of our Company for Fiscals 2021, 2020, 2019, 2018 and 2017.

(ix) Copy of Unaudited Interim Condensed Consolidated Financial Statements for the three months period ended June 30, 2021.

(x) The examination reports dated October 25, 2021 of the Statutory Auditor, on our Company's Restated Consolidated Summary Statements for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 and the limited review report dated October 25, 2021 of the Statutory Auditor on our Company's Interim Condensed Consolidated Financial Statements for the three months period June 30, 2021, included in this Draft Letter of Offer.

(xi) Report on Statement of Special Tax Benefits dated October 25, 2021 from the Statutory Auditor included in this Draft Letter of Offer.

(xii) Due Diligence Certificate dated October 25, 2021 addressed to the Stock Exchanges from the Lead Manager

(xiii) Tripartite Agreement dated April 15, 2006 between our Company, NSDL and the Registrar to the Issue.

(xiv) Tripartite Agreement dated April 25, 2006 between our Company, CSDL and the Registrar to the Issue.

(xv) In principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Amrith Anumolu
(Executive and Whole-time Director)

Jayasree Anumolu
(Non-Executive Director)

Ramaswamy Gowrishanker
(Chairman and Non-Executive Director)

Velu Jeyapaul Singh
(Non-Executive Director)

Gurram Jagannatha Reddy
(Independent Director)

Rammohan Anappathur Vanchi
(Independent Director)

SIGNED BY OUR CHIEF FINANCIAL OFFICER

Sridharan Varadhan Vinjamoore
(Chief Financial Officer)

Place: Chennai, Tamil Nadu

Date: October 25, 2021