



# BEARDELL LIMITED

Regd. Office :  
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CHENNAI - 600 006. (INDIA)  
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GSTIN : 33AAACB1429P2ZP  
CIN No. : L65991TN1936PLC001428  
E-mail : hc@beardsell.co.in  
Website : www.beardsell.co.in

SEC :December : 2021

11<sup>th</sup> December, 2021

The Listing Manager,  
National Stock Exchange of India  
Limited, Exchange Plaza  
Bandrakurla Complex, Bandra (E)  
Mumbai-400 051

**Scrip Code: BEARDELL**

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

**Scrip Code: 539447**

Dear Sir,

Please find attached Independent Auditor's Review Report on the Interim Condensed Consolidated Financial Statements with Interim Condensed Financial Statements - as at September 30, 2021 as at September 30, 2021— in connection with Rights issue.

We request you to kindly take the above submissions on record.

Thanking you,

Yours faithfully,  
for BEARDELL LIMITED,

  
K MURALI  
COMPANY SECRETARY



**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 September 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 half year ended September 30, 2021 and a summary of selected explanatory notes for the half year ended September 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 September 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. 3,584.42 Lakhs as at September 30, 2021, total revenues of Rs. 1,564.69 lakhs, total net loss after tax of Rs. 7.64 lakhs, total comprehensive loss of Rs. 7.64 lakhs and total net cash outflows of Rs. 0.11 lakhs for the half year ended September 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 half year ended September 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 and half year ended September 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 November 12, 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

**KRISHNAN**  
ARAVIND  
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ARAVIND  
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c=IN, o=Personal,  
email=aravind.krishnan@srb.in  
Date: 2021.12.11 12:34:49 +05'30'

**per Aravind K**

Partner

Membership No.: 221268

UDIN: 21221268AAAAHH9043

Place: Chennai

Date: December 11, 2021

**Beardsell Limited**

**Interim Condensed Consolidated Balance Sheet as at September 30, 2021**

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

	Notes	September 30,2021	March 31, 2021
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	3a	3,829.67	4,073.43
Capital work in progress	3a	80.61	63.10
Goodwill	3b	242.12	242.12
Other intangible assets	3c	49.48	61.13
Right-of-use assets	45	1,091.42	1,158.25
<b>Financial assets</b>			
Investments	4	53.22	45.81
Loans	5	23.95	22.16
Trade receivables	6	41.79	34.82
Bank balances other than cash and cash equivalents	7	280.96	280.40
Others	8	126.00	125.94
Non-current tax assets (net)	9	24.08	23.76
Deferred tax assets (net)	24	77.84	62.29
Other non-current assets	10	0.84	0.84
		<b>5,921.98</b>	<b>6,194.05</b>
<b>Current assets</b>			
Inventories	11	1,803.97	1,717.28
<b>Financial assets</b>			
Trade receivables	12	3,015.54	3,183.54
Cash and cash equivalents	13	152.44	158.95
Bank Balances other than cash and cash equivalents	14	112.77	86.90
Loans	15	18.92	23.15
Others	16	81.13	81.50
Other current assets	17	986.19	863.20
		<b>6,170.96</b>	<b>6,114.52</b>
		<b>12,092.94</b>	<b>12,308.57</b>
<b>Total assets</b>			
<b>EQUITY and LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	18	561.98	561.98
Other equity	19	3,411.91	3,386.40
<b>Equity attributable to equity holders of the parent</b>		<b>3,973.89</b>	<b>3,948.38</b>
Non-controlling interests		-	-
<b>Total equity</b>		<b>3,973.89</b>	<b>3,948.38</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	20	1,149.26	1,488.02
Lease liabilities	21	117.85	179.72
Other financial liabilities	22	0.49	0.83
Provisions	23	23.96	23.96
Deferred tax liabilities (net)	24	4.28	-
		<b>1,295.84</b>	<b>1,692.53</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	25	2,378.35	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		3,255.20	3,336.02
Lease liabilities	27	121.94	120.13
Other financial liabilities	28	89.51	250.06
Other current liabilities	29	678.90	615.25
Provisions	30	217.07	198.91
Current tax liabilities (net)	31	82.24	95.11
		<b>6,823.21</b>	<b>6,667.66</b>
		<b>12,092.94</b>	<b>12,308.57</b>
<b>Total equity and liabilities</b>			

**Summary of significant accounting policies**

2.4

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

As per our report of even date

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

Chartered Accountants

K.A.B Firm registration number: 401049WSE300004

**KRISHNAN ARAVIND**  
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 email=aravind.krishnan@srb.in  
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per Aravind K

Partner

Membership no.: 221268

Place: Chennai

For and on behalf of the Board of Directors

**Beardsell Limited**

**ANUMOLU AMRITH**  
 Digitally signed by ANUMOLU AMRITH  
 Date: 2021.12.11 11:56:58 +05'30'

**Amrith Anumolu**  
 Executive Director  
 DIN:03044661  
 Place: Austin, Texas

**VINJAMOORE VARADHAN SRIDHARAN**  
 Digitally signed by VINJAMOORE VARADHAN SRIDHARAN  
 Date: 2021.12.11 11:53:32 +05'30'

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

Date: December 11, 2021

**JEYAPAU L SINGH**  
 Digitally signed by JEYAPAU L SINGH  
 Date: 2021.12.11 12:03:33 +05'30'

**V J Singh**  
 Director  
 DIN:03129164  
 Place: Tirunelveli

**Krishnamurthy Murali**  
 Digitally signed by Krishnamurthy Murali  
 Date: 2021.12.11 11:50:56 +05'30'

**K Murali**  
 Company Secretary  
 Place: Chennai

Date: December 11, 2021

Date: December 11, 2021

**Beardsell Limited****Interim Condensed Consolidated Statement of Profit and Loss for the period ended September 30, 2021**

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

	Notes	For the period ended September 30, 2021	For the period ended September 30, 2020
<b>I. Income</b>			
Revenue from contracts with customers	32	8,159.30	4,746.04
Other income	33	104.39	14.90
Finance income	34	8.88	6.41
<b>Total income</b>		<b>8,272.57</b>	<b>4,767.35</b>
<b>II. Expenses</b>			
Cost of raw material and components consumed	35	5,132.78	2,432.49
Purchase of traded goods	36	709.22	303.22
Changes in inventories of finished goods, work-in-progress and traded goods	37	(224.86)	54.41
Employee benefits expense	38	693.19	673.56
Depreciation and amortisation expense	39	298.18	308.47
Finance costs	40	242.68	268.35
Other expenses	41	1,332.92	1,003.52
<b>Total expenses</b>		<b>8,184.11</b>	<b>5,044.02</b>
<b>Profit/(loss) before tax</b>		<b>88.46</b>	<b>(276.67)</b>
<b>Tax expense</b>			
Current tax		39.40	10.18
Deferred tax		(11.40)	(16.11)
<b>Total tax expense</b>		<b>28.00</b>	<b>(5.93)</b>
<b>Profit/(loss) for the year</b>		<b>60.46</b>	<b>(270.74)</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items not to be reclassified to profit or loss in subsequent periods</b>	42		
Gain/(loss) on equity instruments through OCI		0.52	0.23
Income tax effect		(0.13)	(0.06)
Re-measurement gains / (losses) on defined benefit plans		(9.67)	2.16
Income tax effect		2.43	(0.54)
<b>Other comprehensive income for the year, net of tax</b>		<b>(6.85)</b>	<b>1.79</b>
<b>Total comprehensive income/(loss) for the year, net of tax</b>		<b>53.61</b>	<b>(268.95)</b>
<b>Earnings Per Equity Share Rs. 2/- each fully paid (March 31, 2021: Rs. 2/- each fully paid)</b>	47		
Computed on the basis of total profit/(loss) for the year/ period			
Basic (Rs.)		0.22	(0.96)
Diluted (Rs.)		0.22	(0.96)
<b>Summary of Significant Accounting Policies</b>	<b>2.4</b>		

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

As per our report of even date

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

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**KRISHNAN**  
 Digitally signed by KRISHNAN  
 ARAVIND  
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 c=IN, o=Personal,  
 email=aravind.krishnan@srb.in  
 Date: 2021.12.11 12:32:32 +05'30'

**per Aravind K**

Partner

Membership no.: 221268

Place: Chennai

For and on behalf of the Board of Directors

**Beardsell Limited**

**ANUMOL**  
 Digitally signed by  
 ANUMOLU AMRITH  
 U AMRITH  
 Date: 2021.12.11  
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**Amrith Anumolu**

Executive Director

DIN:03044661

Place: Austin, Texas

**VINJAMOORE**  
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 VINJAMOORE VARADHAN  
 SRIDHARAN  
 Date: 2021.12.11 11:54:09  
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**V V Sridharan**

Chief Financial Officer

Place: Chennai

**JEYAPAU**  
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 L SINGH  
 Date: 2021.12.11  
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**V J Singh**

Director

DIN:03129164

Place: Tirunelveli

**Krishnamurthy**  
 Digitally signed by  
 Krishnamurthy Murali  
 y Murali  
 Date: 2021.12.11 11:51:51  
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**K Murali**

Company Secretary

Place: Chennai

Date: December 11, 2021

Date: December 11, 2021

Date: December 11, 2021

**Beardsell Limited**

**Interim Condensed Consolidated Statement of Changes in Equity for the period ended September 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
<b>As at April 1, 2020</b>	<b>28,099,008</b>	<b>561.98</b>
Increase/(decrease) during the period	-	-
<b>At September 30, 2020</b>	<b>28,099,008</b>	<b>561.98</b>
Increase/(decrease) during the period	-	-
<b>At March 31, 2021</b>	<b>28,099,008</b>	<b>561.98</b>
Increase/(decrease) during the period	-	-
<b>At September 30, 2021</b>	<b>28,099,008</b>	<b>561.98</b>

**b. Other Equity**

Particulars	Reserves and surplus			Items of OCI	Total
	Securities premium (Note 19)	General Reserve (Note 19)	Retained earnings (Note 19)	FVTOCI reserve (Note 19)	
<b>As at April 1, 2020</b>	<b>555.65</b>	<b>484.61</b>	<b>2,423.97</b>	<b>4.81</b>	<b>3,469.04</b>
Profit/ (loss) for the period	-	-	(270.74)	-	(270.74)
Other comprehensive income (Note 42)	-	-	1.62	0.17	1.79
<b>Total Comprehensive Income</b>	<b>555.65</b>	<b>484.61</b>	<b>2,154.85</b>	<b>4.98</b>	<b>3,200.09</b>
Cash dividends	-	-	(28.10)	-	(28.10)
<b>As at September 30, 2020</b>	<b>555.65</b>	<b>484.61</b>	<b>2,126.75</b>	<b>4.98</b>	<b>3,171.99</b>
Profit/ (loss) for the period	-	-	230.41	-	230.41
Other comprehensive income	-	-	(16.09)	0.09	(16.00)
<b>Total Comprehensive Income</b>	<b>555.65</b>	<b>484.61</b>	<b>2,341.07</b>	<b>5.07</b>	<b>3,386.40</b>
Cash dividends	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>555.65</b>	<b>484.61</b>	<b>2,341.07</b>	<b>5.07</b>	<b>3,386.40</b>
Profit/ (loss) for the period	-	-	60.46	-	60.46
Other comprehensive income (Note 42)	-	-	(7.24)	0.39	(6.85)
<b>Total Comprehensive Income</b>	<b>555.65</b>	<b>484.61</b>	<b>2,394.29</b>	<b>5.46</b>	<b>3,440.01</b>
Cash dividends	-	-	(28.10)	-	(28.10)
<b>As at September 30, 2021</b>	<b>555.65</b>	<b>484.61</b>	<b>2,366.19</b>	<b>5.46</b>	<b>3,411.91</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**KRISHNAN**  
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**per Aravind K**

Partner

Membership no.: 221268

Place: Chennai

For and on behalf of the Board of Directors

**Beardsell Limited**

**ANUMOLU**  
Digitally signed by ANUMOLU AMRITH  
 U AMRITH  
 Date: 2021.12.11 11:58:56 +05'30'

**Amrith Anumolu**

Executive Director

DIN:03044661

Place: Austin, Texas

VINJAMOORE  
 VARADHAN  
 SRIDHARAN  
 Digitally signed by VINJAMOORE VARADHAN SRIDHARAN  
 Date: 2021.12.11 11:54:41 +05'30'

**V V Sridharan**

Chief Financial Officer

Place: Chennai

**JEYAPAU**  
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 Date: 2021.12.11 12:04:29 +05'30'

**V J Singh**

Director

DIN:03129164

Place: Tirunelveli

Digitally signed by Krishnamurthy Murali  
 Date: 2021.12.11 11:48:27 +05'30'

**K Murali**

Company Secretary

Place: Chennai

Date: December 11, 2021

Date: December 11, 2021

Date: December 11, 2021

**Beardsell Limited**

CIN : L65991TN1936PLC001428

**Interim Condensed Consolidated Statement of Cash Flows for the period ended September 30, 2021**

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

Particulars	For the period ended September 30, 2021	For the period ended September 30, 2020
<b>A. Cash flow from operating activities</b>		
<b>Profit/ (loss) before exceptional items and tax</b>	<b>88.46</b>	<b>(276.67)</b>
Adjustments for		
Depreciation and amortisation expense	298.18	308.47
Loss/ (gain) on sale of property, plant and equipment (net)	(0.08)	-
Dividend income	-	(0.02)
Finance income	(8.88)	(6.41)
Allowance for credit loss	35.11	141.80
Finance costs	242.68	268.35
Net unrealised foreign exchange differences	(10.15)	1.20
<b>Operating profit before working capital changes</b>	<b>645.32</b>	<b>436.72</b>
<b>Movement in working capital</b>		
(Increase)/ Decrease in inventories	(86.69)	170.03
(Increase)/ Decrease in current and non-current trade receivables	125.92	260.69
(Increase) / Decrease in financial assets	2.42	60.45
(Increase) / Decrease in other assets	(61.88)	(24.84)
(Decrease)/ Increase in trade payables	(70.67)	(605.83)
(Decrease)/ Increase in financial, non-financial liabilities and provisions	(84.11)	221.10
<b>Cash generated from operations</b>	<b>470.31</b>	<b>518.32</b>
Income tax paid (net of refunds)	(50.16)	(13.82)
<b>Net cash flow from operating activities (A)</b>	<b>420.15</b>	<b>504.50</b>
<b>B. Cash flow used in investing activities</b>		
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(54.57)	(16.94)
Proceeds from sale of property, plant and equipment	0.08	-
Deposits made during the period	(26.43)	(9.61)
Proceeds from deposits	-	23.66
Purchase of Investments	(6.89)	-
Dividends received	-	0.02
Finance income received	9.21	6.54
<b>Net cash flow used in/ (generated from) investing activities (B)</b>	<b>(78.60)</b>	<b>3.67</b>
<b>C. Net cash flows used in financing activities</b>		
Proceeds from long-term borrowings	127.25	377.97
Repayment of long-term borrowings	(466.01)	(177.46)
Proceeds/ (repayment) of short - term borrowings (net)	321.37	(265.11)
Dividend paid (including dividend distribution tax, where applicable)	(28.10)	-
Payment of principal portion of lease liabilities	(60.06)	(69.21)
Interest paid on lease liabilities	(9.59)	(15.00)
Interest paid	(232.92)	(252.01)
<b>Net cash flows used in financing activities (C)</b>	<b>(348.06)</b>	<b>(400.82)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(6.51)</b>	<b>107.35</b>
Cash and cash equivalents at the beginning of the year	158.95	76.26
<b>Cash and cash equivalents at the end of the period</b>	<b>152.44</b>	<b>183.61</b>
<b>Components of cash and cash equivalents (Refer note 13)</b>		
Cash on hand	11.41	10.63
Balances with banks		
On current accounts	141.03	172.98
<b>Total cash and cash equivalents</b>	<b>152.44</b>	<b>183.61</b>

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

As per our report of even date

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

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**KRISHNAN**  
 Digitally signed by KRISHNAN  
 ARAVIND  
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 c=IN, o=Personal,  
 email=aravind.krishnan@srb.in  
 Date: 2021.12.11 12:33:16 +05'30'

per Aravind K

Partner

Membership no.: 221268

Place: Chennai

For and on behalf of the Board of Directors

**Beardsell Limited**

ANUMOLU  
 U AMRITH  
 Digitally signed by ANUMOLU AMRITH  
 Date: 2021.12.11 12:00:13 +05'30'

JEYAPAU  
 L SINGH  
 Digitally signed by JEYAPAU SINGH  
 Date: 2021.12.11 12:05:00 +05'30'

**Amrith Anumolu**  
 Executive Director  
 DIN:03044661  
 Place: Austin, Texas

**V J Singh**  
 Director  
 DIN:03129164  
 Place: Tirunelveli

VINJAMOORE  
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**Krishnamu  
 rthy Murali**  
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 Date: 2021.12.11 11:49:38 +05'30'

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

**K Murali**  
 Company Secretary  
 Place: Chennai

Date: December 11, 2021

Date: December 11, 2021

Date: December 11, 2021

## **Beardsell Limited**

### **Notes and other explanatory information forming part of Interim Condensed Consolidated Financial Statements**

*All amounts in INR Lakhs (unless otherwise stated)*

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#### **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 September 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 Letter of Offer ("Offer document") 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 December 11, 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.



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### **Notes and other explanatory information forming part of Interim Condensed Consolidated Financial Statements**

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#### **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 September 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 September 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

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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 is 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.

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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 become available for use, their cost is re-classified to appropriate caption and subjected to depreciation.

#### c) Intangible assets

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

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

#### d) Depreciation and amortisation

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

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

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

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

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

#### e) Leases

The 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.

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#### 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.

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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.

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#### **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.

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#### **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.

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#### **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



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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.

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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.

## **Beardsell Limited**

### **Notes and other explanatory information forming part of Interim Condensed Consolidated Financial Statements**

*All amounts in INR Lakhs (unless otherwise stated)*

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#### **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.

## **Beardsell Limited**

### **Notes and other explanatory information forming part of Interim Condensed Consolidated Financial Statements**

*All amounts in INR Lakhs (unless otherwise stated)*

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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:

## **Beardsell Limited**

### **Notes and other explanatory information forming part of Interim Condensed Consolidated Financial Statements**

*All amounts in INR Lakhs (unless otherwise stated)*

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- 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.

## **Beardsell Limited**

### **Notes and other explanatory information forming part of Interim Condensed Consolidated Financial Statements**

*All amounts in INR Lakhs (unless otherwise stated)*

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#### **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.

## **Beardsell Limited**

### **Notes and other explanatory information forming part of Interim Condensed Consolidated Financial Statements**

*All amounts in INR Lakhs (unless otherwise stated)*

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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) 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

## **Beardsell Limited**

### **Notes and other explanatory information forming part of Interim Condensed Consolidated Financial Statements**

*All amounts in INR Lakhs (unless otherwise stated)*

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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.



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Notes to Interim Condensed Consolidated Financial Statements for the period ended September 30, 2021

(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
<b>Gross block</b>									
<b>As at April 01, 2020</b>	530.63	748.58	4,145.30	42.20	68.84	10.01	475.78	<b>6,021.34</b>	124.14
Additions	-	22.81	166.99	4.13	1.32	-	16.17	<b>211.42</b>	127.56
Disposals	-	-	(12.05)	(2.80)	(2.98)	-	(6.63)	<b>(24.46)</b>	-
Capitalisation	-	-	-	-	-	-	-	-	(188.60)
<b>As at March 31, 2021</b>	<b>530.63</b>	<b>771.39</b>	<b>4,300.24</b>	<b>43.53</b>	<b>67.18</b>	<b>10.01</b>	<b>485.32</b>	<b>6,208.30</b>	<b>63.10</b>
Additions	-	3.17	23.89	5.85	1.90	2.11	0.13	<b>37.05</b>	<b>48.97</b>
Disposals	-	-	-	-	(0.08)	-	-	<b>(0.08)</b>	-
Capitalisation	-	-	-	-	-	-	-	-	(31.46)
Adjustments	-	-	(61.11)	-	-	-	-	<b>(61.11)</b>	-
<b>As at September 30, 2021</b>	<b>530.63</b>	<b>774.56</b>	<b>4,263.02</b>	<b>49.38</b>	<b>69.00</b>	<b>12.12</b>	<b>485.45</b>	<b>6,184.16</b>	<b>80.61</b>
<b>Depreciation</b>									
<b>As at April 01, 2020</b>	-	175.15	1,220.04	36.03	45.77	3.91	224.32	<b>1,705.22</b>	-
Charge for the year	-	42.05	328.32	4.84	6.93	0.93	64.50	<b>447.57</b>	-
Disposals	-	1.83	(8.20)	(2.69)	(2.43)	-	(6.43)	<b>(17.92)</b>	-
<b>As at March 31, 2021</b>	<b>-</b>	<b>219.03</b>	<b>1,540.16</b>	<b>38.18</b>	<b>50.27</b>	<b>4.84</b>	<b>282.39</b>	<b>2,134.87</b>	<b>-</b>
Charge for the period	-	20.44	164.27	2.46	3.55	0.53	28.45	<b>219.70</b>	-
Disposals	-	-	-	-	(0.08)	-	-	<b>(0.08)</b>	-
<b>As at September 30, 2021</b>	<b>-</b>	<b>239.47</b>	<b>1,704.43</b>	<b>40.64</b>	<b>53.82</b>	<b>5.37</b>	<b>310.84</b>	<b>2,354.49</b>	<b>-</b>
<b>Net carrying value</b>									
<b>As at March 31, 2021</b>	<b>530.63</b>	<b>552.36</b>	<b>2,760.08</b>	<b>5.35</b>	<b>16.91</b>	<b>5.17</b>	<b>202.93</b>	<b>4,073.43</b>	<b>63.10</b>
<b>As at September 30, 2021</b>	<b>530.63</b>	<b>535.09</b>	<b>2,558.59</b>	<b>8.74</b>	<b>15.18</b>	<b>6.75</b>	<b>174.61</b>	<b>3,829.67</b>	<b>80.61</b>

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

**(i) Charge on assets**

a) The Rupee term loans from Bank of India are secured by equitable mortgage over the land and buildings there on at Karad (4.10 acres), Coimbatore (3.50 acres), 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 September 30, 2021 was Rs. 80.58 (March 31, 2021: 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.

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**3b Goodwill**

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

**Goodwill recognized at the time of acquisition of Saideep Polytherm (controlled entity)**

The Goodwill recognised at the time of acquisition of Saideep Polytherm represents the total Goodwill carried by the Group. The recoverable amount of the Investments has been determined based on Value in Use calculation using cash flow projections from financial budgets approved by the senior management covering a five year period. The cash flow projections have been updated to reflect the impact of COVID-19. The discount rate applied to cash flow projections for Impairment testing during the current year is 15% and cash flow beyond the five years are extrapolated using a growth rate of 4% that is the same as the long term average growth rate for the industry in which the Group operates. It was concluded that the fair value less costs of disposal did not exceed the value in use and the recoverable amounts exceeded their carrying amount. The calculation of value in use for Saideep Polytherm is relatively sensitive to the assumptions relating to gross margin, discount rate and growth rate.

**3c Other Intangible assets**

Particulars	Software	Total other intangible assets
<b>Gross block</b>		
<b>As at April 01, 2020</b>	<b>104.93</b>	<b>104.93</b>
Additions	2.30	2.30
Disposals	-	-
<b>As at March 31, 2021</b>	<b>107.23</b>	<b>107.23</b>
Additions	-	-
Disposals	-	-
<b>As at September 30, 2021</b>	<b>107.23</b>	<b>107.23</b>
<b>Depreciation</b>		
<b>As at April 01, 2020</b>	<b>23.42</b>	<b>23.42</b>
Amortisation for the year	22.68	22.68
Disposals	-	-
<b>As at March 31, 2021</b>	<b>46.10</b>	<b>46.10</b>
Amortisation for the period	11.65	11.65
Disposals	-	-
<b>As at September 30, 2021</b>	<b>57.75</b>	<b>57.75</b>
<b>Net carrying value</b>		
<b>As at March 31, 2021</b>	<b>61.13</b>	<b>61.13</b>
<b>As at September 30, 2021</b>	<b>49.48</b>	<b>49.48</b>

**4 Non-current investments**

	September 30, 2021	March 31, 2021
<b>Investments</b>		
<i>(Un-quoted equity instruments at fair value through OCI)</i>		
- 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
<b>Total of un-quoted equity instruments at fair value through OCI (i)</b>	<b>52.00</b>	<b>45.11</b>
<i>(Quoted equity instruments at fair value through OCI)</i>		
- 1,000 (March 31, 2021 : 1,000) equity shares of Rs. 2/- each fully paid up in Nava Bharat Ventures Limited	1.22	0.70
<b>Total of quoted equity instruments at fair value through OCI (ii)</b>	<b>1.22</b>	<b>0.70</b>
<b>Total Investments (i)+(ii)</b>	<b>53.22</b>	<b>45.81</b>

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

	September 30, 2021	March 31, 2021
Aggregate book value of quoted investments	1.22	0.70
Aggregate market value of quoted investment	1.22	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

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)**

	September 30, 2021	March 31, 2021
Loans to employees - secured, considered good	4.06	4.57
Loans to employees - unsecured, considered good	19.89	17.59
<b>Total</b>	<b>23.95</b>	<b>22.16</b>

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

**6 Trade receivables (non-current)**

(Unsecured, considered good unless otherwise stated)

	September 30, 2021	March 31, 2021
Trade receivables	41.79	34.82
<b>Total</b>	<b>41.79</b>	<b>34.82</b>

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)**

	September 30, 2021	March 31, 2021
<b>In earmarked accounts</b>		
Balances held as margin money	280.96	280.40
<b>Total</b>	<b>280.96</b>	<b>280.40</b>

**8 Other non-current financial assets**

(Unsecured, considered good unless otherwise stated)

	September 30, 2021	March 31, 2021
Security deposits	126.00	125.94
<b>Total</b>	<b>126.00</b>	<b>125.94</b>

**9 Non-current tax assets (net)**

(Unsecured, considered good unless otherwise stated)

	September 30, 2021	March 31, 2021
Advance income tax net of provision for tax	24.08	23.76
<b>Total</b>	<b>24.08</b>	<b>23.76</b>

**10 Other non-current assets**

(Unsecured, considered good unless otherwise stated)

	September 30, 2021	March 31, 2021
Capital advances	0.84	0.84
<b>Total</b>	<b>0.84</b>	<b>0.84</b>

**11 Inventories**

(Cost or net realisable value whichever is lower)

	September 30, 2021	March 31, 2021
Raw materials and packing materials	608.61	746.39
Work-in-progress	149.21	98.07
Finished goods	682.92	572.73
Stock-in-trade (acquired for trading)	279.40	215.87
Stores and spares	83.83	84.22
<b>Total</b>	<b>1,803.97</b>	<b>1,717.28</b>

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**Notes to Interim Condensed Consolidated Financial Statements for the period ended September 30, 2021**

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

**12 Trade Receivables**

(Unsecured, considered good unless otherwise stated)

	September 30, 2021	March 31, 2021
Trade receivables	3,000.16	3,181.75
Receivables from related parties (Refer note 44)	15.38	1.79
<b>Total trade receivables</b>	<b>3,015.54</b>	<b>3,183.54</b>
<b>Trade receivables</b>		
Considered good	3,015.54	3,183.54
Significant increase in credit Risk	33.73	28.56
Credit impaired	823.58	808.56
<b>Total trade receivables</b>	<b>3,872.85</b>	<b>4,020.66</b>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
Significant increase in credit Risk	(33.73)	(28.56)
Credit impaired	(823.58)	(808.56)
<b>Total impairment allowance</b>	<b>(857.31)</b>	<b>(837.12)</b>
<b>Total trade receivables (net)</b>	<b>3,015.54</b>	<b>3,183.54</b>

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

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**

	September 30, 2021	March 31, 2021
Opening Balance as at beginning of the year/ period	837.12	750.90
Created during the year/ period (Net)	20.19	86.22
<b>Closing Balance as at end of the year/ period</b>	<b>857.31</b>	<b>837.12</b>

**13 Cash and cash equivalents**

	September 30, 2021	March 31, 2021
Balances with Banks		
On current accounts	141.03	148.99
Cash on hand	11.41	9.96
<b>Total</b>	<b>152.44</b>	<b>158.95</b>

As at 30th September 2021, the Company had undrawn committed borrowing facilities of Rs. 612.75 (31st March 2021 - Rs. 772.38).

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

	September 30, 2021	March 31, 2021
<b>In earmarked accounts</b>		
Unclaimed dividend accounts*	45.71	19.84
Others #	67.06	67.06
<b>Total</b>	<b>112.77</b>	<b>86.90</b>

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

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

**15 Loans (Current)**

(Unsecured, considered good unless stated otherwise)

	September 30, 2021	March 31, 2021
Loans to employees - secured, considered good	1.89	2.45
Loans to employees - unsecured	17.03	20.70
<b>Total</b>	<b>18.92</b>	<b>23.15</b>

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

**16 Others current financial assets**

(Unsecured, considered good unless stated otherwise)

	September 30, 2021	March 31, 2021
Security deposits	79.85	79.92
Interest receivable	1.28	0.95
Derivative instrument at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts	-	0.63
<b>Total</b>	<b>81.13</b>	<b>81.50</b>

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

<b>Breakup of financial assets</b>		
	<b>September 30, 2021</b>	<b>March 31, 2021</b>
<b>At amortised cost</b>		
Non-current and current loans	42.87	45.31
Trade receivables	3,057.33	3,218.36
Cash and cash equivalents	152.44	158.95
Non-current and current Bank balances other than cash and cash equivalents	393.73	367.30
Other non-current and current financial assets	207.13	206.81
<b>Total financial assets carried at amortised cost</b>	<b>3,853.50</b>	<b>3,996.73</b>
<b>17 Other current assets</b>		
(Unsecured, considered good unless otherwise stated)		
	<b>September 30, 2021</b>	<b>March 31, 2021</b>
Advance paid for jobs in progress		
- Considered good	298.78	266.75
- Considered doubtful	138.38	116.20
Advances for supply and services	409.54	347.76
Prepayments	75.60	74.43
Balances with Statutory/Government Authorities (net)	53.61	57.51
Surplus gratuity fund balance	26.85	26.85
Other advances	121.81	89.90
Less: Allowance for credit loss against doubtful advances	(138.38)	(116.20)
<b>Total</b>	<b>986.19</b>	<b>863.20</b>
<b>Reconciliation of allowance for credit loss against doubtful advances</b>		
	<b>September 30, 2021</b>	<b>March 31, 2021</b>
Opening Balance as at beginning of the year/ period	116.20	120.96
Created during the year / period (net)	22.18	(4.76)
<b>Closing Balance as at end of the year/ period</b>	<b>138.38</b>	<b>116.20</b>

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Notes to Interim Condensed Consolidated Financial Statements for the period ended September 30, 2021

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

**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 September 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 September 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**

	September 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	3,645,213	12.97%	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 Details of shares held by promoters****September 30, 2021**

Promoter Name	No. of shares at the beginning of the period	Change during the period	No. of shares at the end of the period	% of Total shares	% change during the period
Mrs.Jayasree Anumolu	9,091,614	-	9,091,614	32.36%	0.00%
Mr.Bharat Anumolu	3,800,694	(155,481)	3,645,213	12.97%	-4.09%
Mrs.Lalithamba Panda	600	-	600	0.00%	0.00%
Gunnam Subba Rao Insulation Private Limited	3,328,320	-	3,328,320	11.84%	0.00%
Villasini Rael Estate Private Limited	1,010,749	(150)	1,010,599	3.60%	-0.01%
<b>Total</b>	<b>17,231,977</b>	<b>(155,631)</b>	<b>17,076,346</b>	<b>60.77%</b>	<b>-0.90%</b>

**March 31, 2021**

Promoter Name	No. of shares at the beginning of the year	Change during the period	No. of shares at the end of the period	% of Total shares	% change during the period
Mrs.Jayasree Anumolu	9,091,614	-	9,091,614	32.36%	0.00%
Mr.Bharat Anumolu	5,558,848	(1,758,154)	3,800,694	13.53%	-31.63%
Mrs.Lalithamba Panda	600	-	600	0.00%	0.00%
Gunnam Subba Rao Insulation Private Limited	3,328,320	-	3,328,320	11.84%	0.00%
Villasini Rael Estate Private Limited	1,011,073	(324)	1,010,749	3.60%	-0.03%
<b>Total</b>	<b>18,990,455</b>	<b>(1,758,478)</b>	<b>17,231,977</b>	<b>61.33%</b>	<b>-9.26%</b>

**18.6 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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**19 Other equity**

	September 30, 2021	March 31, 2021
<b>Reserves and Surplus</b>		
<b>(a) Securities premium account</b>		
Balance at the beginning of the year / period	555.65	555.65
<b>Balance at the end of the year / period</b>	<b>555.65</b>	<b>555.65</b>
<b>(b) General reserve</b>		
Balance at the beginning of the year / period	484.61	484.61
<b>Balance at the end of the year / period</b>	<b>484.61</b>	<b>484.61</b>
<b>(c) Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year / period	2,341.07	2,423.97
<b>Add: Profit/ (loss) for the year / period</b>	60.46	(40.33)
Re-measurement gain/(loss) on Defined Benefit Obligations (net of tax impact) (refer note 42)	(7.24)	(14.47)
Less: Cash dividend*	(28.10)	(28.10)
<b>Balance at the end of the year / period</b>	<b>2,366.19</b>	<b>2,341.07</b>
<b>*Distribution made and proposed</b>		
<b>i). Cash dividends on equity shares proposed and paid</b>		
Final dividend during the period/ year - September 30, 2021: Rs.0.10 per share (March 2021: Rs.0.10 per share)	28.10	28.10
Dividend distribution tax	-	-
<b>Total cash dividend including dividend distribution tax</b>	<b>28.10</b>	<b>28.10</b>
<b>ii). Proposed dividend on equity shares</b>		
Final dividend during the period/ year - September 30, 2021: Rs.0.10 per share (March 2021: Rs.0.10 per share)	-	28.10
Dividend distribution tax	-	-
<b>Total proposed dividend including dividend distribution tax</b>	<b>-</b>	<b>28.10</b>
Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as on March 31.		
With effect from 1 April 2020, the Dividend Distribution Tax ('DDT') payable by the company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.		
<b>(d) FVTOCI reserve</b>		
Balance at the beginning of the year	5.07	4.81
Add: Other comprehensive income for the year/ period	0.39	0.26
<b>Balance at the end of the year</b>	<b>5.46</b>	<b>5.07</b>
<b>Total other equity</b>	<b>3,411.91</b>	<b>3,386.40</b>

**Nature and purpose of reserves****(a) Securities premium account**

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

**(b) General reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the 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.

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

**20 Borrowings (non-current)**

	September 30, 2021	March 31, 2021
<b>Term loans</b>		
Indian Rupee loans from banks (Secured) (a)	463.00	585.43
<b>Long term maturities of finance lease obligation</b>		
Obligations under hire purchase contracts (Secured) (a)	16.22	27.75
<b>Unsecured loans from others</b>		
Unsecured deposits from members - others	95.04	99.84
Unsecured inter corporate deposits	250.00	400.00
Unsecured loans and advances from related parties (Refer note 44)	325.00	375.00
<b>Total</b>	<b>1,149.26</b>	<b>1,488.02</b>

(i) The Indian rupee term loan from banks include:

(a). 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%)

(b). 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%)

(c) 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%)

(d) 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% repayable over a period of 1 year to 3 years.

(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)**

	September 30, 2021	March 31, 2021
<b>Long term maturities of finance lease obligation</b>		
Lease liabilities (refer note 45)	117.85	179.72
<b>Total</b>	<b>117.85</b>	<b>179.72</b>

**22 Other financial liabilities (non current)**

	September 30, 2021	March 31, 2021
Interest accrued but not due on deposits from others	0.49	0.83
<b>Total</b>	<b>0.49</b>	<b>0.83</b>

**23 Provisions (non-current)**

	September 30, 2021	March 31, 2021
Provision for gratuity	23.96	23.96
<b>Total</b>	<b>23.96</b>	<b>23.96</b>

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**24 Deferred tax liability / (asset) (Net)**

		September 30, 2021	March 31, 2021
<b>Deferred tax liability relating to</b>			
On difference between book balance and tax balance of Property, plant & equipment and Intangible assets		246.31	258.55
Deferred tax impact on fair valuation of Investments		2.74	2.61
	(A)	<b>249.05</b>	<b>261.16</b>
<b>Deferred tax asset relating to</b>			
Provision for compensated absences & bonus		57.61	66.69
Provision for impairment allowance on financial assets		252.17	243.33
Leases - Ind AS 116 adjustments		12.83	13.43
	(B)	<b>322.61</b>	<b>323.45</b>
<b>Deferred tax liability (Net)</b>	<b>(A-B)</b>	<b>(73.56)</b>	<b>(62.29)</b>

For the period ended September 30, 2021	Opening Balance	Recognised in profit & loss	Recognised in OCI	Closing balance
Property, plant & equipment and Intangible assets	258.55	(12.24)	-	246.31
Provision for compensated absences & bonus	(66.69)	9.08	-	(57.61)
Provision for impairment allowance on financial assets	(251.31)	(8.84)	-	(260.15)
Leases - Ind AS 116 adjustments	(5.45)	0.60	-	(4.85)
FVTOCI reserve	2.61	-	0.13	2.74
	<b>(62.29)</b>	<b>(11.40)</b>	<b>0.13</b>	<b>(73.56)</b>

For the year ended March 31, 2021	Opening Balance	Recognised in profit & loss	Recognised in OCI	Closing balance
Property, plant & equipment and Intangible assets	277.54	(18.99)	-	258.55
Provision for compensated absences & bonus	(37.13)	(29.56)	-	(66.69)
Provision for impairment allowance on financial assets	(230.81)	(20.50)	-	(251.31)
Leases - Ind AS 116 adjustments	3.99	(9.44)	-	(5.45)
FVTOCI reserve	2.52	-	0.09	2.61
	<b>16.11</b>	<b>(78.49)</b>	<b>0.09</b>	<b>(62.29)</b>

For the period ended September 30, 2020	Opening Balance	Recognised in profit & loss	Recognised in OCI	Closing balance
Property, plant & equipment and Intangible assets	277.54	(11.16)	-	266.38
Provision for compensated absences & bonus	(37.13)	(0.88)	-	(38.01)
Provision for impairment allowance on financial assets	(222.83)	(35.69)	-	(258.52)
Leases - Ind AS 116 adjustments	(3.99)	(1.74)	-	(5.73)
FVTOCI reserve	2.52	-	0.06	2.58
Unabsorbed business loss	-	33.30	-	33.30
	<b>16.11</b>	<b>(16.17)</b>	<b>0.06</b>	<b>-</b>

The Group has tax losses which arose in India of Rs. 1,096.38 (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. 285.06 (March 31, 2021 - Rs. 283.07).

**25 Borrowings (Current)**

	September 30, 2021	March 31, 2021
Cash credit from banks (secured)	1,509.68	1,353.50
Unsecured inter corporate deposits	22.00	22.00
Unsecured loans and advances from related parties (refer note 44)	104.75	87.75
Unsecured deposits from members - related parties (refer note 44)	85.63	90.83
Unsecured deposits from members - others	18.12	6.87
Current maturities of long term debt (refer note (ii) below)	234.37	380.25
Current maturities of hire purchase loans (refer note (ii) below)	23.19	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	60.61	61.17
Current maturities of unsecured inter corporate deposits	150.00	-
Current maturities of unsecured loans and advances from related parties (refer note 44)	150.00	-
<b>Total</b>	<b>2,378.35</b>	<b>2,052.18</b>

(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.

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**26 Trade payables**

	September 30, 2021	March 31, 2021
Outstanding dues to micro, small and medium enterprises	-	-
Outstanding dues to creditors other than micro, small and medium enterprises	3,255.20	3,336.02
	<b>3,255.20</b>	<b>3,336.02</b>

Based on the information available with the Group, there are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at September 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)**

	September 30, 2021	March 31, 2021
<b>Current maturities of finance lease obligation</b>		
Lease liabilities (refer note 45)	121.94	120.13
<b>Total</b>	<b>121.94</b>	<b>120.13</b>

**28 Other financial liabilities (current)**

	September 30, 2021	March 31, 2021
Unclaimed dividend	45.71	19.84
Interest accrued but not due on deposits from members		
- From related parties	0.50	0.48
- From others	1.31	0.82
Interest accrued but not due on borrowings	0.21	1.37
Payable to employees	41.99	227.55
<b>Total</b>	<b>89.72</b>	<b>250.06</b>

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

**29 Other current liabilities**

	September 30, 2021	March 31, 2021
Statutory liabilities	36.74	63.04
Advances received from customers	409.49	329.51
Deferred revenue	92.62	70.80
Others	140.05	151.90
<b>Total</b>	<b>678.90</b>	<b>615.25</b>

**30 Provisions (current)**

	September 30, 2021	March 31, 2021
Provision for compensated absences	122.14	116.15
Provision for differential sales tax	6.26	13.52
Other provisions	88.67	69.24
<b>Total</b>	<b>217.07</b>	<b>198.91</b>

**31 Current tax liabilities**

	September 30, 2021	March 31, 2021
Provision for income taxes (net of advance taxes)	82.24	95.11
<b>Total</b>	<b>82.24</b>	<b>95.11</b>

**Breakup of financial liabilities**

	September 30, 2021	March 31, 2021
<b>At amortised cost</b>		
Non current borrowings	1,149.26	1,077.96
Current borrowings	2,378.35	2,052.18
Trade Payables	3,255.20	3,336.02
Other non-current and current financial liabilities	90.21	250.89
<b>Total financial liabilities carried at amortised cost</b>	<b>6,873.02</b>	<b>6,717.05</b>

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**32 Revenue from contracts with customers**

	For the period ended September 30, 2021	For the period ended September 30, 2020
Sale of Products		
Finished goods	6,532.28	3,736.74
Traded goods	753.91	362.64
Sale of services	845.79	631.18
Other operating revenue		
Scrap sales	27.32	15.48
<b>Total revenue from operations</b>	<b>8,159.30</b>	<b>4,746.04</b>

**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 September 30, 2021	For the period ended September 30, 2020
Insulation	7,405.39	4,383.40
Trading	753.91	362.64
<b>Total revenue from contracts with customers</b>	<b>8,159.30</b>	<b>4,746.04</b>

**Timing of revenue recognition**

	For the period ended September 30, 2021	For the period ended September 30, 2020
Goods transferred at a point in time	7,313.51	4,114.86
Services transferred over time	845.79	631.18
	<b>8,159.30</b>	<b>4,746.04</b>

**Contract balances**

	As at September 30, 2021	As at March 31, 2021
Trade receivables	3,057.33	3,218.36
Contract assets	29.95	-
Contract liabilities	409.49	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 September 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 September 30, 2021	For the period ended September 30, 2020
Rental income from operating leases	12.16	14.73
Dividend Income	-	0.02
Net gain on sale of property, plant and equipment	0.08	-
Foreign exchange fluctuation (net)	10.15	-
Other non-operating income	82.00	0.15
<b>Total</b>	<b>104.39</b>	<b>14.90</b>

**34 Finance income**

	For the period ended September 30, 2021	For the period ended September 30, 2020
Interest Income on		
- Bank Deposits	8.54	6.31
- Others	0.34	0.10
<b>Total</b>	<b>8.88</b>	<b>6.41</b>

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<b>35 Cost of raw material and components consumed</b>	<b>For the period ended September 30, 2021</b>	<b>For the period ended September 30, 2020</b>
Inventory at the beginning of the year	746.39	548.27
Add: Purchases	4,995.00	2,310.41
	<b>5,741.39</b>	<b>2,858.68</b>
Less : Inventory at the end of the year	608.61	426.19
<b>Cost of raw material and components consumed</b>	<b>5,132.78</b>	<b>2,432.49</b>
<b>36 Purchase of traded goods</b>	<b>For the period ended September 30, 2021</b>	<b>For the period ended September 30, 2020</b>
Stock-in-trade - Motors	709.22	303.22
<b>Total</b>	<b>709.22</b>	<b>303.22</b>
<b>37 Changes in inventories of finished goods, work-in-progress and traded goods</b>	<b>For the period ended September 30, 2021</b>	<b>For the period ended September 30, 2020</b>
<b>Opening stock</b>		
Finished goods	572.73	585.20
Work-in-Progress	98.07	101.03
Stock-in-trade	215.87	218.62
	<b>886.67</b>	<b>904.85</b>
<b>Closing stock</b>		
Finished goods	682.92	565.76
Work-in-Progress	149.21	89.72
Stock-in-trade	279.40	194.96
	<b>1,111.53</b>	<b>850.44</b>
<b>Decrease/ (increase) in inventories of finished goods, work-in-progress and</b>	<b>(224.86)</b>	<b>54.41</b>
<b>38 Employee benefits expense</b>	<b>For the period ended September 30, 2021</b>	<b>For the period ended September 30, 2020</b>
Salaries, allowances and wages	580.87	573.47
Contribution to provident fund and other funds	72.02	45.93
Gratuity expense	5.33	17.16
Staff welfare expenses	34.97	37.00
<b>Total</b>	<b>693.19</b>	<b>673.56</b>
<p>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.</p>		
<b>39 Depreciation and amortisation expense</b>	<b>For the period ended September 30, 2021</b>	<b>For the period ended September 30, 2020</b>
Depreciation of property, plant and equipment	219.70	224.08
Amortization of intangible assets	11.65	11.26
Depreciation of Right-of-use assets (refer note 45)	66.83	73.13
<b>Total</b>	<b>298.18</b>	<b>308.47</b>
<b>40 Finance costs</b>	<b>For the period ended September 30, 2021</b>	<b>For the period ended September 30, 2020</b>
Interest expense on		
Term loans and working capital loans	128.72	162.33
On deposits from members and other deposits	67.28	63.65
On hire purchase contracts	2.29	2.57
Delayed payment of Income Tax	3.26	6.77
Lease liabilities	9.59	15.00
Other Borrowing Costs #	31.54	18.03
<b>Total</b>	<b>242.68</b>	<b>268.35</b>

# Other borrowing cost includes loan processing charges, guarantee charges, loan facilitation charges and other ancillary costs incurred in connection with borrowings.

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

**41 Other expenses**

	For the period ended September 30, 2021	For the period ended September 30, 2020
Consumption of stores and spares	62.69	32.57
Service charges	251.67	160.04
Power and fuel	444.00	293.77
Repairs & maintenance		
Plant and machinery	18.02	6.66
Buildings	4.76	3.85
Furniture and equipment	5.56	3.98
Rent	19.28	0.95
Rates and taxes	9.86	5.15
Advertising and sales promotion	2.21	1.21
Vehicle maintenance	15.70	8.57
Insurance	48.44	46.55
Printing and stationery	1.06	0.76
Consultancy and other professional charges	74.59	41.77
Travelling and conveyance	35.81	13.44
Communication expenses	9.52	9.61
Allowance for credit loss	35.11	141.80
Bad debts written off	-	9.42
Freight and forwarding charges	165.14	110.47
Donations	0.02	2.00
Sitting fees paid to Directors	5.70	4.65
Bank charges	3.90	1.48
Net loss on foreign currency transactions and translation	-	1.20
Miscellaneous expenses	119.88	103.62
<b>Total</b>	<b>1,332.92</b>	<b>1,003.52</b>
<b>Payment to auditor (included under consultancy and other professional charges)</b>		
<b>As auditor</b>		
-Limited review	6.00	6.00
<b>Total</b>	<b>6.00</b>	<b>6.00</b>

**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 September 30, 2021	For the period ended September 30, 2020
<b>FVTOCI reserve</b>		
Gain/(loss) on equity instruments through OCI	0.52	0.23
Deferred tax effect on the gain/(loss) on equity instruments through OCI	(0.13)	(0.06)
Re-measurement gains / (losses) on defined benefit plans	(9.67)	2.16
Deferred tax effect on remeasurement costs on net defined benefit liability	2.43	(0.54)
<b>Total</b>	<b>(6.85)</b>	<b>1.79</b>

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**Notes to Interim Condensed Consolidated Financial Statements for the period ended September 30, 2021**

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**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 September 30, 2021**

Particulars	Insulation	Trading	Total
Revenue	7,405.39	753.91	8,159.30
Segment result	428.42	59.10	487.52
Less: Finance costs			(242.68)
Less: Unallocable corporate expenses (net of income)			(156.38)
<b>Profit before taxes</b>			<b>88.46</b>
Less: Tax expenses			(28.00)
<b>Net profit for the year</b>			<b>60.46</b>
<b>As at period ended September 30, 2021</b>			
Segment assets	10,818.24	295.94	11,114.18
Unallocable assets			978.76
<b>Total Assets</b>			<b>12,092.94</b>
Segment liabilities	5,195.07	141.12	5,336.19
Unallocable liabilities			2,782.86
<b>Total liabilities</b>			<b>8,119.05</b>

**For the Period ended September 30, 2020**

Particulars	Insulation	Trading	Total
Revenue	4,383.40	362.64	4,746.04
Segment result	158.54	16.43	174.97
Less: Finance costs			(268.35)
Less: Unallocable corporate expenses (net of income)			(183.29)
<b>Profit before taxes</b>			<b>(276.67)</b>
Less: Tax expenses			5.93
<b>Net profit for the year</b>			<b>(270.74)</b>

**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
<b>Total Assets</b>			<b>12,308.57</b>
Segment liabilities	5,498.50	93.75	5,592.25
Unallocable liabilities			2,767.94
<b>Total liabilities</b>			<b>8,360.19</b>

**Capital expenditure**

Particulars	As at September 30, 2021	As at March 31, 2021
Insulation	37.05	211.42
Trading	-	-
Unallocable	-	2.30
<b>Total</b>	<b>37.05</b>	<b>213.72</b>

**Depreciation/ amortisation**

Particulars	Period ended September 30, 2021	Period ended September 30, 2020
Insulation	204.89	208.65
Trading	14.81	15.43
Unallocable	78.48	84.39
<b>Total</b>	<b>298.18</b>	<b>308.47</b>

**Revenue from external customers**

Particulars	Period ended September 30, 2021	Period ended September 30, 2020
India	8,159.30	4,746.04
Outside India	-	-

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

**Non current assets**

Particulars	As at September 30, 2021	As at March 31, 2021
India	5,051.18	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

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**Notes to Interim Condensed Consolidated Financial Statements for the period ended September 30, 2021**

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**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 September 30, 2021**

Particulars	Affiliates	Key Managerial Personnel & their Relatives
<b>Transactions during the period</b>		
Sale of products	9.47	-
Lease rent income	2.40	-
Lease rent expense	27.60	-
Managerial remuneration paid*		
Mr. Amrith Anumolu	-	23.47
Mr. V V Sridharan	-	9.31
Mr. K Murali	-	5.05
Ms. T Anantha Jothi	-	1.02
Sitting fees & conveyance charges paid to Directors		
Mr. Amrith Anumolu	-	1.00
Mrs. Jayasree Anumolu	-	1.00
Mr. Gowrishanker	-	1.40
Mr. V J Singh	-	1.20
Mr. Gurram Jagannathan Reddy	-	1.40
Mr. A V Ram Mohan	-	1.60
Unsecured Loan received		
Mrs. Jayasree Anumolu	-	100.00
Mr. Amrith Anumolu	-	17.00
Finance cost during the year on loans		
Mr. V J Singh	-	0.42
Mr. Amrith Anumolu	-	0.60
Mrs. Jayasree Anumolu	-	23.09
Mrs. Lalithamaba Panda	-	4.96
Mr. Bharath Anumolu	-	4.38
Mrs. S N Radha	-	0.24
Ms. T Anantha Jothi	-	0.04
<b>Balance outstanding as at September 30, 2021</b>		
Trade receivable	15.39	-
Other advances	11.80	-
Unsecured loan from Mr. Bharath Anumolu	-	72.75
Unsecured loan from Mr. V J Singh	-	7.00
Unsecured loan from Mrs. Jayasree Anumolu	-	475.00
Unsecured loan from Mr. Amrith Anumolu	-	25.00
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	-	0.42
Interest accrued on Public Deposit - Mrs. S.N.Radha	-	0.50

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**Related party transactions for the period ended September 30, 2020**

Particulars	Affiliates	Key Managerial Personnel & their Relatives
<b>Transactions during the period</b>		
Lease rent income	2.40	-
Lease rent expense	24.00	-
Managerial remuneration paid*		
Mr. Amrith Anumolu	-	4.64
Mr. V V Sridharan	-	3.94
Mr. K Murali	-	5.78
Ms. T Anantha Jothi	-	3.25
Sitting fees & conveyance charges paid to Directors		
Mr. Amrith Anumolu	-	0.80
Mrs. Jayasree Anumolu	-	0.45
Mr. Gowrishanker	-	1.10
Mr. V J Singh	-	0.45
Mr. Gurram Jagannathan Reddy	-	0.75
Mr. A V Ram Mohan	-	1.10
Unsecured Loan repaid		
Mr. Amrith Anumolu	-	6.00
Mr. Gowrishanker	-	170.00
Finance cost during the year on loans		
Mr. Bharat Anumolu	-	4.38
Mr. V J Singh	-	0.42
Mr. Amrith Anumolu	-	0.81
Mr. Gowrishanker	-	1.21
Mrs. Jayasree Anumolu	-	7.52
Mrs. Lalithamaba Panda	-	5.26
Mrs. S N Radha	-	0.30
<b>Balance outstanding as at March 31, 2021</b>		
Trade receivable	1.79	-
Trade payables	15.00	-
Unsecured loan from Mr. Bharat Anumolu	-	72.75
Unsecured loan from Mr. V J Singh	-	7.00
Unsecured loan from Mrs. Jayasree Anumolu	-	375.00
Unsecured loan from Mr. Amrith Anumolu	-	8.00
Public deposits from Mrs. Lalithamba Panda	-	100.18
Public deposits from Mrs. S N Radha	-	5.45
Public deposits from Ms. T Anantha Jothi	-	5.20
Interest accrued on Public Deposit - Ms. T Anantha Jothi	-	0.22
Interest accrued on Public Deposit - Mrs. S.N.Radha	-	0.26

\*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 September 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).



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**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
<b>As at April 1, 2020</b>	<b>378.24</b>	<b>891.56</b>	<b>1,269.80</b>
Additions	13.75	11.37	25.12
Depreciation expense	(120.07)	(16.60)	(136.67)
<b>As at March 31, 2021</b>	<b>271.92</b>	<b>886.33</b>	<b>1,158.25</b>
Additions	-	-	-
Depreciation expense	(58.79)	(8.04)	(66.83)
<b>As at September 30, 2021</b>	<b>213.13</b>	<b>878.29</b>	<b>1,091.42</b>

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

	As at September 30, 2021	As at March 31, 2021
<b>As at April 1</b>	<b>299.85</b>	<b>395.69</b>
Additions	-	13.75
Accretion of interest	9.59	28.16
Payments	(69.65)	(137.75)
<b>As at March 31</b>	<b>239.79</b>	<b>299.85</b>
Current	121.94	120.13
Non-current	117.85	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 September 30, 2021	Period ended September 30, 2020
Depreciation expense of right-of-use assets	66.83	73.13
Interest expense on lease liabilities	9.59	15.00
Expense relating to short-term leases and leases of low-value assets (included in other expenses - Rent)	19.28	0.95
<b>Total amount recognised in profit or loss</b>	<b>95.70</b>	<b>89.08</b>

The Group had total cash outflows for leases of Rs. 69.65 during the period ended September 30, 2021 (Rs. 84.21 in September 30, 2020).

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**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.

	September 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	September 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	Deputy Commissioner, Assistant Commissioner & other appellate authorities
Amount under dispute	16.93	16.93	2000-01	
Amount paid	1.92	1.92	2001-02	
<b>Net Amount</b>	<b>15.01</b>	<b>15.01</b>	2003-04 2015-16	
Under Central Sales Tax Act, 1956			1995-96, 2003-04, 2005	High Court, Deputy Commissioner & CTO of various states
Amount under dispute	594.16	594.16	06, 2006-07, 2007-08, 2008-09, 2009-10, 2010	
Amount paid	58.15	58.15	11, 2011-12, 2012-13, 2013-14, 2014-15, 2016	
<b>Net Amount</b>	<b>536.01</b>	<b>536.01</b>	17	

Based on its evaluation (including expert advice obtained wherever applicable), the Company believes there is a strong case on 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 September 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-Sep-2021	For the period ended 30-Sep-2020
Profit/(loss) available for equity shareholders	60.46	(270.74)
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.)	0.22	(0.96)
- Diluted (Rs.)	0.22	(0.96)

#### 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 September 30, 2021 is Rs. 3,057.33 (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.

**Beardsell Limited**

CIN : L65991TN1936PLC001428

**Notes to Interim Condensed Consolidated Financial Statements for the period ended September 30, 2021**

(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	
	September 30, 2021	March 31, 2021	September 30, 2021	March 31, 2021
<b>Financial assets</b>				
Other investments	43.95	37.06	53.22	45.81
Trade receivables	3,057.33	3,218.36	3,057.33	3,218.36
Cash and cash equivalents	152.44	158.95	152.44	158.95
Bank balances other than cash and cash equivalents	393.73	367.30	393.73	367.30
Loans	42.87	45.31	42.87	45.31
Other financial assets	207.13	206.81	207.13	207.44
<b>Total</b>	<b>3,897.45</b>	<b>4,033.79</b>	<b>3,906.72</b>	<b>4,043.17</b>
<b>Financial liabilities</b>				
Borrowings	3,527.61	3,540.20	3,376.79	3,361.33
Lease liabilities	239.79	299.85	239.79	299.85
Trade payables	3,255.20	3,336.02	3,255.20	3,336.02
Other financial liabilities	90.00	250.89	90.00	250.89
<b>Total</b>	<b>7,112.60</b>	<b>7,426.96</b>	<b>6,961.78</b>	<b>7,248.09</b>

**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 September 30, 2021:**

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
<b>Asset measured at fair value:</b>				
Equity Investments at fair value through OCI				
Unquoted instruments	52.00	-	-	52.00
Quoted instruments	1.22	1.22	-	-
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
<b>Asset measured at fair value:</b>				
Equity Investments at fair value through OCI				
Unquoted instruments	45.11	-	-	45.11
Quoted instruments	0.70	0.70	-	-
Derivative instrument not designated as hedge at fair value through profit or loss				
Foreign exchange forward contracts	0.63	-	0.63	-

**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.

**Beardsell Limited**

**CIN : L65991TN1936PLC001428**

**Notes to Interim Condensed Consolidated Financial Statements for the period ended September 30, 2021**

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

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**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

**KRISHNAN** Digitally signed by KRISHNAN  
ARAVIND  
DN: cn=KRISHNAN ARAVIND,  
c=IN, o=Personal,  
email=aravind.krishnan@srb.in  
Date: 2021.12.11 12:33:54 +05'30'

**per Aravind K**

Partner

Membership no.: 221268

Place: Chennai

Date: December 11, 2021

For and on behalf of the Board of Directors

**Beardsell Limited**

**ANUMOL** Digitally signed by  
ANUMOLU AMRITH  
U AMRITH Date: 2021.12.11  
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**Amrith Anumolu**

Executive Director

DIN:03044661

Place: Austin, Texas

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VINJAMOORE  
VARADHAN VARADHAN SRIDHARAN  
SRIDHARAN Date: 2021.12.11 11:55:35  
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**V V Sridharan**

Chief Financial Officer

Place: Chennai

Date: December 11, 2021

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**V J Singh**

Director

DIN:03129164

Place: Tirunelveli

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Krishnamurthy Murali  
hy Murali Date: 2021.12.11 11:49:04  
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**K Murali**

Company Secretary

Place: Chennai

Date: December 11, 2021