



BEARDELL LIMITED

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

SEC: SEP: 07092020

7th September, 2020

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,

Sub: Submission of 83rd Annual Report for the year 2019-20 - reg.

Pursuant to Regulation 34 (1) of the SEBI (LODR) Regulations, 2015, as amended, we submit the 83rd Annual Report for the year 2019-20 in pdf version, along with the Notice of the Meeting. The above will be sent by e-mail to the shareholders from today.

Kindly take on record the above submission.

Thanking you,

Yours faithfully,

For **BEARDELL LIMITED**

T. ANANTHA JOTHI
COMPANY SECRETARY



Encl: 83rd Annual report .



BEARDSELL LIMITED

83rd *Year*

Eighty Third Annual Report & Accounts

2019 - 2020



BEARDELL LIMITED

CIN NO :L65991TN1936PLC001428

CONTENTS	Page
Notice to Shareholders	2
Report of Directors	11
Auditors Report	28
Balance Sheet	36
Statement of Profit and Loss	37
Cash Flow Statement	39
Notes	41
Consolidated Financial Statements	81

Directors

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

Chief Financial Officer

Mr. V.V. Sridharan

Company Secretary

Ms. T. Anantha Jothi

Auditors

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

Secretarial Auditor

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

Cost Auditor

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

Bankers

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

Registered Office

47, Graemes Road, Chennai - 600 006
Phone : 044 - 2829 3296 / 2829 0900
CIN No. : L65991TN1936PLC001428
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Website : www.beardsell.co.in



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NOTICE IS HEREBY GIVEN that the Eighty Third Annual General Meeting of the Company will be held on Wednesday, 30th September 2020 at 10.00 A.M. through Video Conferencing (VC)/Other AudioVisual Means (OAVM) to transact the following business:

AS ORDINARY BUSINESS :

1. ADOPTION OF ACCOUNTS :

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss account of the Company (Both Standalone and Consolidated) with the Schedules and Cash Flow Statement for the year ended 31st March, 2020 together with the Directors Report and the Auditors' Report thereon, be and are hereby approved and adopted."

2. TO DECLARE A DIVIDEND

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

RESOLVED THAT pursuant to the recommendation of the Board of Directors, Dividend at the rate of Re.0.10 (5 percent) per equity share to be paid for the year ended 31st March, 2020 to those share holders whose name appears in the Register of Members on 23rd September 2020, being the record date fixed for the purpose, be and is hereby confirmed.

3. APPOINTMENT OF DIRECTOR

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mrs. Anumolu Jayasree (Din : 00845666) who retires by rotation and being eligible for reappointment be and is hereby appointed as a Director of the Company."

4. APPOINTMENT OF AUDITORS

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

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

AS SPECIAL BUSINESS

5. TO ACCEPT / RENEW UNSECURED DEPOSITS FROM SHAREHOLDERS:

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to section 73(2) read with Chapter V of the Companies (Acceptance of Deposits) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013, the Company be and is hereby authorized to accept / renew unsecured deposits from shareholders not

exceeding 35% of the aggregate of the paid up capital and free reserves of the Company as per the latest audited accounts as of 31/03/2020 amounting to Rs.1223.19 lakhs including deposits outstanding as on the date of the issue of the Circular".

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

APPOINTMENT OF DIRECTORS

6. APPOINTMENT OF MR. V.J. SINGH AS A DIRECTOR :

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

"RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions if any of the Companies Act, 2013, the Rules made thereunder for the time being in force and the Articles of Association of the Company, Mr. V.J.SINGH (Din: 03129164), is appointed as a Director of the Company, liable to retire by rotation."

7. APPOINTMENT OF MR. R. GOWRI SHANKER AS A DIRECTOR:

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions if any of the Companies Act, 2013, the Rules made thereunder for the time being in force and the Articles of Association of the Company, Mr. R. GOWRI SHANKER (Din : 00104597), is appointed as a Director of the Company, liable to retire by rotation.

8. APPOINTMENT OF Mr. A.V. RAMMOHAN AS AN INDEPENDENT DIRECTOR:

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act 2013 and rules made there under, Mr.A.V.Rammohan (Din : 02093767) appointed as an Additional Independent Director by the Board of Directors on 21st October 2019 to hold office for five consecutive years up to 20th October 2024 be and is hereby approved".

Chennai
19th August, 2020

By Order of the Board
T. Anantha Jothi
Company Secretary

Notice to the Shareholders

NOTES: Statutory information:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the Special Business set out in Item no 5, 6, 7 and 8 annexed here to
2. The Register of Members and the Share Transfer books of the Company will remain closed from **24th September 2020 to 30th September 2020 (both days inclusive)** in connection with the Annual General Meeting (AGM) and payment of dividend.
3. Pursuant to the General Circular No. 20/2020 dated 5th May 2020 read with General Circulars No.14/2020 dated 8th April 2020 and 17/2020 dated 13th April 2020, the Meeting will be held through Video Conferencing/ Other Audio Visual Means.
4. In terms of the above Circulars, there is no provision for appointment of proxies for the meeting. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of body corporates can attend the AGM through VC/OAVM and cast their votes through e-voting.
5. For participating in the Meeting through the VC/OAVM please see the guidance in Page 10.
6. Members desirous of speaking at the meeting may register through the web portal of the Registrar & Transfer Agent (RTA) Cameo Corporate Services Limited through the web-link: <https://Investors.cameoindia.com>.
7. The above facility for registration will be open from 9:00 AM on 25-09-2020 to 5:00 PM on 28-09-2020. It may please be noted that there will be no option for spot registration and so only those shareholders who have registered through the above process will be able to speak at the meeting.
8. Members who do not wish to speak during the AGM but need clarifications on the items to be transacted at the AGM may send their queries by e-mail to cs@beardsell.co.in or before 23rd September 2020, mentioning their names, demat account number/folio number, e-mail id and mobile number. These queries will be replied to by the Company suitably by email.
9. Despatch of Annual Report and Notice of the meeting: Electronic copy of the Annual Report for the year 2019-20 and the Notice of the 83rd Annual General Meeting are being sent to all the members whose E-mail IDs are registered with the Company/Depository Participant(s) for communication purposes. Members may note that pursuant to the aforesaid Circulars and SEBI Circular dated 12.05.2020 there is no provision for providing printed copies of the Annual Reports.
10. Annual Report and the Notice of the AGM are available in the Company's website: www.beardsell.co.in The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting during the AGM) i.e. www.evotingindia.com. Facility for Remote E-voting and Voting during the meeting:
11. Pursuant to Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 108 of the Companies Act 2013, and the relevant Rules, the Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) to facilitate the Members to exercise their right to vote at the Annual General Meeting through remote e-voting. The detailed process for participating in the said e-voting is furnished in Page No.10.
12. A person who has participated in the remote e-voting is not debarred from participating in the meeting though he/she shall not be able to vote at the meeting again and his/her

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

13. Payment of dividend and withholding tax thereon:

1. The dividend for the year 2019-20 upon declaration at the AGM, will be paid on or before 29th October, 2020 whose name appears in the register of Members on 23rd September, 2020.
2. As per the Finance Act, 2020, from 1st April 2020, dividend is taxable in the hands of the recipient and the Company is required to deduct tax at source from dividend. Accordingly dividend would be paid net of TDS @ 20% if the Member has not provided his/her valid PAN and @ 7.5% in other cases.
3. Tax Deduction would be PAN based and so in the case of multiple holding by the same first named person, the dividend would be aggregated for determining the TDS.
4. If the Member
 - (a) is a resident individual and the amount of dividend does not exceed 5,000 or furnishes a declaration in Form 15G/15H, no such deduction will be made.
 - (b) is a Non Resident or Foreign Institutional Investor or a Foreign Portfolio Investor, tax deduction would be @ 20%
 - (c) is other than (a) or (b) above, TDS would be deducted @ 7.50% or as the case may be 20%, in the absence of a valid PAN.
 - (d) in addition to the above surcharge and cess as applicable will be deducted.
5. Resident Individuals may submit their declarations to the RTA through <https://investors.cameoindia.com>. It may please be noted that physical copies of the Forms will not be acceptable and so Members may provide the declaration only electronically. The facility for providing the declaration for Dividend 2019-20 will not be available after 23rd September 2020 5:00 PM.
6. As per SEBI guidelines, dividend is to be paid through electronic mode into the bank account as per the details furnished by the depositories. In case electronic payment is not possible, the bank account details, if available will be printed on the warrant/other payment instrument. The Company is not permitted to entertain any direct request for deletion or change of such bank details.
7. Members may provide their bank account details through the Web-portal of the RTA <https://investors.cameoindia.com>. Information provided after 30th September 2020 may not be considered by the RTA and warrants will be sent. Due to the current pandemic situation, there may be delays in receipt of the warrants by the shareholders.

Unpaid/Unclaimed Dividend:

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

The Company has, accordingly, transferred `Rs.1,99,976/- being the unpaid and unclaimed dividend amount pertaining to the year 2011-12 to the IEPF on 9th November 2019.



BEARDELL LIMITED

CIN NO :L65991TN1936PLC001428

S.No	Financial Year	Date of Declaration of Dividend	% of Dividend	Date of Transfer to unpaid Dividend Account	Date of Transfer to Central Government to Investor Education and Protection Fund
1	2012-2013	13/08/2013	10%	18/09/2013	17/09/2020
2	2013-2014	13/08/2014	10%	18/09/2014	17/09/2021
3	2014-2015	13/08/2015	10%	18/09/2015	17/09/2022
4	2015-2016	23/03/2016	12%	28/04/2016	27/04/2023
5	2016-2017	13/03/2017	15%	18/04/2017	17/04/2024
6	2017-2018	31/03/2018	12%	22/04/2018	21/04/2025
7	2018-2019	30/09/2019	12%	05/11/2019	04/11/2026

The updated details of unpaid dividend as on the date of the ensuing AGM relating to the years 2012-13 to 2018-19 will be uploaded in the website of the Company in due course.

Dividend for the year 2012-13 remaining unclaimed and unpaid will be transferred to IEPF during September 2020. Shareholders who are yet to encash their dividend warrants are requested to contact the Company or Cameo Corporate Services Limited, the Registrar at an early date and lodge their claims.

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

As per the Circular the shareholders who have not furnished the information have been placed under "enhanced watch" and so their requests will be processed subject to enhanced due diligence.
19. Pursuant to proviso to Regulation 40 (1) of the Listing Regulations, effective from 1st April 2019 transfer of securities other than transmission or transposition of names are not to

be processed by the Company in physical form. So, shareholders desirous of transferring their shares are requested to dematerialize their shares.

20. Members may avail nomination facility in respect of their holdings. Those holding shares in physical mode may download the form available in the website of the Company and submit the same to the RTA. Those holding shares in demat form may approach their DP for registering the nominations.
21. The documents and information to be made available for inspection by the Members during the AGM will be provided electronically through the e-voting facility of CDSL.

ANNEXURE TO THE NOTICE

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

ITEM NO.(3)

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

a	Name	Mrs. Anumolu Jayasree
b	Brief Resume	
	i Age	66 Yrs
	ii Qualification	Graduate
	iii Experience in Specific Functional Area	24 Years
	iv Date of Appointment on the Board of the Company (BEARDELL LIMITED)	31/03/2015
c	Nature of Expertise in Specific Functional Area	General Management
d	Name(s) of other Companies in which Directorships held (as per section 165 of the Companies Act, 2013)	GUNNAM SUBBA RAO INSULATION PRIVATE LIMITED
e	Name(s) of Companies in which Committee Membership(s) / Chairman ship (s) Held	Nomination & Remuneration Committee CSR Committee
f	No. of Shares of Rs.2/- each held by the	90,91,614
	- Director	
	- her Relatives	54,87,304
	- Total	1,45,78,918
g	Relationship between Directors inter se (As per Section 2 (77) of the Companies Act,2013)	Mr. Amrith Anumolu Executive Director

ITEM NO : 5

The special business relates to seeking members' approval for acceptance / renewal of unsecured deposits from shareholders. The Board of Directors, on 19th August, 2020 has approved the acceptance / renewal of unsecured deposits from shareholders subject to your approval. The Circular in Form DPT-1 inviting / accepting unsecured deposits from shareholders along with the rating assigned for our Fixed Deposit Programme by ICRA Limited is annexed.

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

The Board of Directors recommends the above resolution for the share holders approval.

ITEM NO : 6

Profile of Mr V J Singh

The Special Business relates to seeking members' approval for regularization of appointment of Mr. V.J. Singh (DIN: 03129164), Non Executive & Non Independent Director, who was appointed by the Board of Directors as an Additional Director of the company with effect from 21st October, 2019 and whose period of office will be liable to determination by retirement of directors by rotation.

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

Mr V J Singh is an M.A in Economics from Madurai University with a first class in B.A Economics. Mr. V.J. Singh joined LIC as a Direct Recruit Officer in the year 1977. He has held various important assignments like Marketing Manager of Aurangabad Division, Sr. Divisional Manager of Tirunelveli Division, Regional Manager - Estates and Office Services (E&OS) of Western Zone, Mumbai and Regional Manager (E&OS) of Southern Zone, Chennai. On his elevation to the cadre of Executive Director, he took charge as Principal, Southern Zonal Training Centre, Chennai. He retired from the services of LIC in February 2012.

Mr. V.J. Singh is associated with the Company as a Director from 2010 onwards.

Mr. V.J. Singh does not hold any shares or beneficial interest in the Company.

No other Director except Mr. V.J. Singh is interested in the above resolution.

ITEM NO : 7

Profile of Mr. R. Gowri Shanker

The Special Business relates to seeking members' approval for regularization of appointment of Mr. R. Gowri Shanker (DIN : 00104597), Non Executive & Non Independent Director, who was appointed by the Board of Directors as an Additional Director of the company with effect from 21st October, 2019 and whose period of office will be liable to determination by retirement of directors by rotation.

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

Mr. R. Gowri Shanker is a well-qualified technical and entrepreneurial professional with a distinguished management career leading the technology and operations of multi-million dollar organizations. He has an M.S. Degree in E-Commerce from Carnegie Mellon University, M.S. in Industrial Engineering from University of Texas, M.B.A from Chicago Booth, and a B.Tech in Chemical Engineering from IIT Madras. He has over 40 years experience with AT&T, FEDEX & Holiday Inn in the US and has had leadership roles in several entrepreneurial ventures. He serves on the Board of South India Chamber of Commerce and Industry (SICCI) and is the President of the prestigious MENSA Society of India.

Mr. R. Gowri Shanker is associated with the Company as a Director from 2006 onwards.

Mr. R. Gowri Shanker holds 7,170 number of equity shares in the Company.

No other Director except Mr. R. Gowri Shanker is interested in the above resolution.

ITEM NO: 8

Profile of Mr. A.V. Ram Mohan

The Special Business relates to seeking members' approval for regularization of appointment of Mr. A.V. Ram Mohan (DIN: 02093767) Who is appointed by the Board of Directors as Additional Independent Director for a consecutive period of five years with effect from October, 21, 2019 to 20th October 2024.

The Board of Directors recommends the above resolution for the share holders approval.

Mr. A.V. Ram Mohan has a first class honours degree in Engineering from IIT Kharagpur, and a post-graduate diploma in management from IIM Ahmedabad. He has held senior management positions in Manufacturing, BPO and IT companies including as profit center head, with responsibilities for operations, new projects, acquisitions and turnaround situations. Since 2008 he has been an independent adviser to several companies in a variety of sectors at the Board level; his consulting engagements focus on producing results, through active participation in reviews, and through providing strategic perspectives.

He was the Chairman of C1 India Limited and he is currently on the Board of Distribution Logistics Infrastructure P Limited, and chairs the Audit Committee.

Mr. A.V. Ram Mohan does not hold any shares or beneficial Interest in the Company.

No other Director except Mr. A.V. Ram Mohan is interested in the above resolution.



BEARSELL LIMITED

CIN NO :L65991TN1936PLC001428

ANNEXURE

FORM DPT-1

CIRCULAR OR CIRCULAR IN THE FORM OF ADVERTISEMENT INVITING DEPOSITS

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

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

ANNEXURE

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

2.									
a.	Date of passing board resolution;	19th August, 2020							
b.	Date of passing of resolution in the general meeting authorizing the invitation of such deposits;	30th September, 2020							
c.	Type of deposits, i.e., whether secured or unsecured;	Unsecured Deposits							
		(Rs. In Lakhs)							
		Public	Share Holders						
d.	Amount which the company can raise by way of deposits as per the Act and the rules made there under;	NIL	1223.19						
	Aggregate of deposits actually held on the last day immediately preceding financial year	0.54	295.10						
	Aggregate of deposits actually held on the date of issue of Circular or advertisement (as on 31/03/2020)	0.54	295.10						
	Amount of deposits proposed to be raised	-	500.00						
	Amount of Deposits repayable in Next Twelve months	-	193.94						
e.	Terms of raising of Deposits								
	RATE OF INTEREST	PERIOD IN YEARS	Monthly Interest Scheme, Minimum Deposit Rs.10000/-	Quarterly Interest Scheme, Minimum Deposit Rs.5000/-	Cumulative Interest Scheme, Minimum Deposit Rs.5000/-				
					Maturity Value	Yield in %			
					1	9.75 %	9.83 %	Rs.5509/-	10.20 %
					2	10.25 %	10.34 %	Rs.6132/-	11.32 %
		3	10.50 %	10.59 %	Rs.6842/-	12.28 %			
	Mode of payment and repayment	Account Payee Cheque (or) Demand Draft							
f.	Proposed time schedule mentioning the date of opening of the Scheme and time period for which the circular or advertisement is valid								
	Date of opening of the scheme	1st October, 2020							
	Validity of the circular or advertisement	Date of next AGM or 6 Months from the Close of Financial Year 2020 -2021							



BEARDESELL LIMITED

CIN NO :L65991TN1936PLC001428

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

3	DETAILS OF ANY OUTSTANDING DEPOSITS	
a.	Amount Outstanding (as on 31/03/2020)	Rs. 295.64 lakhs
b.	Date of Acceptance	At Different Dates
c.	Total Amount Accepted including renewals	Rs. 72.47 lakhs
d.	Rate of Interest	AT DIFFERENT RATES
e.	Total of Number of Depositors	118 NOS
f.	Default, if any, in repayment of deposits and payment of interest thereon, if any, including number of depositors, amount and duration of default involved	NOT APPLICABLE
g.	Any waiver by depositors, of interest accrued on deposit	NOT APPLICABLE

4	FINANCIAL POSITION OF THE COMPANY		
	A . Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of circular or advertisement	(Rs. In Lakhs)	
	FOR THE YEAR ENDED	PROFIT / (LOSS) BEFORE TAX	PROFIT / (LOSS) AFTER TAX
	31-03-2018	40.25	64.66
	31-03-2019	(46.81)	(68.25)
	31-03-2020	153.41	108.47

	B. Dividends Declared by the Company in Respect of the Said Three Financial Years : Interest Coverage Ratio for Last Three Years (Cash Profit After Tax Plus Interest Paid or Interest Paid)			
	FOR THE YEAR ENDED	DIVIDEND DECLARED (EQUITY) RS. IN LAKHS	DIVIDEND DECLARED (EQUITY) (%)	INTEREST COVERAGE RATIO
	31.03.2018 (INTERIM DIVIDEND)	67.44	12 %	1.11
	31.03.2019	67.44	12 %	0.88
	31.03.2020*	28.10	5 %	1.34

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

ANNEXURE

C. Summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of circular or advertisement (Rs. In Lakhs)				
PARTICULARS	31.03.2020*	31.03.2019	31.03.2018	
A. EQUITY AND LIABILITIES				
Equity	4055.28	4031.86	4110.06	
Non Current Liabilities	1078.19	791.20	1572.20	
Current Liabilities	5908.34	6543.24	5395.71	
TOTAL EQUITY AND LIABILITIES	11041.81	11366.30	11077.97	
B. ASSETS				
Non – Current Assets	4349.71	4239.02	4064.85	
Current Assets	6692.10	7127.28	7013.12	
TOTAL ASSETS	11041.81	11366.30	11077.97	
D. Audited Cash Flow Statement for the three years immediately preceding the date of issue of circular or advertisement;				
PARTICULARS	31.03.2020*	31.03.2019	31.03.2018	
Cash Flow From Operating Activities	1147.43	771.23	(429.03)	
Cash Flow From Investing Activities	51.47	(218.42)	264.66	
Cash Flow From Financing Activities	(1428.69)	(388.24)	151.20	
Net Increase / (Decrease) in Cash and Cash Equivalents	(229.79)	164.57	(13.17)	
E. Any change in accounting policies during the last three years and their effects on the profits and the reserves of the company;	There is no change in Accounting Policies in the last three preceding financial years			

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

5.	A DECLARATION BY THE DIRECTORS THAT -
	a) the company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest thereon;
	b) the board of directors have satisfied themselves fully with respect to the affairs and prospects of the company and that they are of the opinion that having regard to the estimated future financial position of the company, the company will be able to meet its liabilities as and when they become due and that the company will not become insolvent within a period of one year from the date of issue of the circular or advertisement;
	c) the company has complied with the provisions of the Act and the rules made there under;
	d) the compliance with the Act and the rules does not imply that repayments of deposits is guaranteed by the Central Government;
	e) the deposits accepted by the company before the commencement of the Act will be repaid along with interest on the respective due dates and until they are repaid, they shall be treated as unsecured & ranking pari passu with other unsecured liabilities.
	f) In case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty.
	g) the deposits shall be used only for the purposes indicated in the circular or circular in the form of advertisement;
	h) the deposits accepted by the company (other than the secured deposits, if any, aggregate amount of which to be indicated) are unsecured and rank pari passu with other unsecured liabilities of the company.
	Note : The text of the Advertisement has been approved by the Board of Directors of the Company on 19th August, 2020. A Copy of this Advertisement signed by a majority of the Directors of the Company will be filed with the Registrar of Companies, Chennai 600 006, Tamil Nadu as required by the Companies (Acceptance of Deposits) Rules, 2014 as amended.

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

(BY ORDER OF THE BOARD)

**FOR BEARDSSELL LIMITED,
Ms. T. Anantha Jothi
Company Secretary**

Place : Chennai
Date : 19th August, 2020



Guidance to Shareholders for Remote e-voting

- (i) The voting period begins at 9:00 AM on 27th September, 2020 and ends on 29th September at 5:00PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date viz., 23rd September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5 p.m. on 29th September, 2020.
- (ii) For remote e-voting shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on "Shareholders" module.
- (iv) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (vii) If you are holding shares in demat mode and a first time user or if you are holding shares in Physical mode:
 - a) Enter the following details:
Applicable for Shareholders holding shares in Demat form and Physical form:

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

- b) After entering these details appropriately, click on "SUBMIT" tab.
- c) Shareholders holding shares in physical form will then directly reach the Company selection screen. For shareholders holding shares in physical form, the details can be used only for e-voting on there solutions contained in this Notice.
- d) Shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (ix) Click on the EVSN for Beardsell Limited (**EVSN No.:200825014**) and you will be directed to the e-voting screen.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, your option would have been recorded and you will not be allowed to modify it thereafter.
- (xiv) After completing the voting, you can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xvi) **SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE RTA OR DEPOSITORIES MAY USE THE WEBLINK OF THE RTA** <https://investors.cameoindia.com> **AND FOLLOW THE INSTRUCTIONS THEREIN. In case of any difficulty please contact the RTA.** Upon registration of the E-mail ID as above, the RTA will provide the login credentials for the e-voting when the notice of the AGM is sent based on this registration.

GUIDANCE TO SHAREHOLDERS FOR ATTENDING THE AGM THROUGH VC/OAVM

1. As mentioned earlier, the AGM will be held through Video Conferencing (VC) /Other Audio Visual Means (OAVM).

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

GUIDANCE TO SHAREHOLDERS FOR VOTING DURING THE AGM

1. The procedure for e-Voting on the day of the AGM is same as mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their votes on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. E-voting facility during the meeting will be available from the beginning of the Meeting till 5 minutes after the close of the meeting. Shareholders may, at their option, vote at any time during this period. The voting facility will be closed thereafter.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
5. Mr. Rabintra Kumar Samal, Practising Company Secretary, Chennai has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
6. The results of the e-voting along with the scrutinizer's report shall be placed in the Company's website www.beardsell.co.in and on the website of CDSL within two days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.

FOR THE ATTENTION OF NON - INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

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

CONTACT FOR FURTHER INFORMATION

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

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

REPORT OF BOARD OF DIRECTORS

Your Directors present the 83rd Annual Report of the Company together with the Audited Accounts for the Financial Year ended 31.03.2020.

PERFORMANCE / OPERATIONS

FINANCIAL RESULTS

(Rs. In Lakhs)

	Year Ended 31.03.2020	Year Ended 31.03.2019
Gross Revenue	14010.00	17119.00
Profit before Interest & Depreciation	1157.00	761.00
Finance Cost	506.00	477.00
Profit before Depreciation	651.00	283.00
Depreciation	497.00	330.00
Profit / (Loss) before tax	153.00	(47.00)
Profit / (Loss) after taxation	108.00	(68.00)
Surplus in Statement of Profit & Loss Account from Last Year	2424.00	2502.00
Re-measurement Gain / (Loss) on Defined Benefit obligation (Net)	(3.00)	(10.00)
Total Comprehensive Income / (Loss) for the Year	105.00	(78.00)
Appropriations		
Dividend on Equity Shares	67.00	67.00
Tax on Dividend	14.00	14.00
Surplus carried to Balance Sheet	2448.00	2424.00

DIVIDEND

The Board of Directors wishes to inform the shareholders that the Dividend at the rate of Re.0.10 (5 percent) per share is proposed to be paid as Dividend for the year ended 31st March, 2020 to those share holders whose name appears in the Register of Members on 23rd September, 2020 subject to approval of share holders in the ensuing Annual General Meeting.

IMPACT OF COVID-19 PANDEMIC SITUATION ON THE COMPANY

Pursuant to Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/84 Dt. 20th May 2020, issued by the Securities and Exchange Board of India (SEBI) under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are furnishing the details of the "material impact" of the various measures taken by your Company to control the spread of "Covid-19 pandemic" (from the last week of March 2020) and the impact on the Company's operations.

Your Company is engaged in manufacturing and marketing of Expanded polystyrene products for packaging and thermal insulation.

Manufacturing units and marketing offices are in important cities across the country covering every potential segment.

For packaging our customers are manufacturers of consumer durables, Electronic goods, Industrial components and pharma.

Lockdown declared by Central / State Governments along with instructions given from time to time were fully followed by the Company at all locations.

As part of general routine, maintenance activities were carried out in order to keep the machinery in good operable condition. This was done when relaxations were given by respective Governments and by observing guidelines

Close interaction with Customers, materials movement were made, only when it was absolutely necessary, that too after obtaining required permission from jurisdictional Authorities and strictly following the guidelines. Such supplies were to Pharma customers for medicine packing and for exports.

Staff and workmen were explained of the importance of following the guidelines strictly during lockdown period. Regular contact was maintained with them, to provide possible assistance, in the event of necessity. They extended commendable cooperation by working from home. Important jobs were handled well.

Sandwich Panels (IsoBuild & QuikBuild) another business vertical of the company is largely for projects in Cold Stores, Clean Rooms, ware houses, residences & villas. Since the construction projects had come to a grinding halt, Company informed customers, details of goods which are ready for dispatch & pending orders, for them to plan downstream activities, suitably at their end.

Suppliers were informed to hold dispatches, until further advice.

In view of the foregoing revenue (sales) were drastically less as also the profit.

While starting operations of the factories and offices (as per respective State Government guidelines) Company ensured that every unit is adhering to thermal scanning, hand sanitization, wearing of proper mask, maintaining social distance and timings of work. At factories, Executives were available for more time in the shop floor, not only to monitor adherence of safety measures, but also to boost the morale of the production team.

Board of Directors of the Company, who are well experienced have been monitoring and guiding regularly. Senior Management team played vital role in liaison with customers and in keeping up the morale of the staff members.

Every member of the Company is fully aware of the impact due to COVID – 19 and is geared to counter this challenge, for betterment.



BEARDESELL LIMITED

CIN NO :L65991TN1936PLC001428

CONSOLIDATED FINANCIAL STATEMENTS

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of business.

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

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

Details in respect of adequacy of internal financial controls with reference to the Financial Statements: Adequate internal financial controls are in place and they are working effectively and efficiently.

Details of Associate Companies: Nil

DETAILS OF WHOLLY OWNED SUBSIDIARY :

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

Unsecured Deposits from Members

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

Unsecured Loans form Directors

The company has accepted Unsecured loans from the following Directors which is outstanding as on 31st March, 2020.

Rs. in Lakhs

S.No	Name of the Directors	Loan amount
1	Mrs. A. Jayasree	125.00
2	Mr. Amrith Anumolu	16.00
3	Mr. Bharat Anumolu	72.75
4	Mr. R. Gowrishanker	170.00
5	Mr. V.J. Singh	7.00
	Total	390.75

STATUTORY AUDITORS

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

Remuneration to Auditors : Rs.22.96 Lakhs

For Subsidiary Company : Sarovar Insulation Pvt. Ltd.

Remuneration to Auditors : Rs. 0.50 Lakhs

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

INTERNAL AUDITORS

M/s. M.R. Ravichandran & Co, Chartered Accountants, Chennai were appointed as Internal Auditors of the Company for the year 2020-21 .

INTERNAL FINANCIAL CONTROLS

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

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

Information Under Section 134 (3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and forming part of Directors Report for the year ended 31st March 2020

Research and Development, Technology Absorption and Conservation of Energy

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

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

Extract of the Annual Return

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

COST AUDITOR

Mr M. Krishnaswamy, Practicing Cost Accountant, Chennai (FCMA No.5944) appointed as Cost Auditor for the financial year 2020-21.

BOARD OF DIRECTORS AND RELATED DISCLOSURES

As on the date of the Report the Board comprises of Six

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

The Independent Director registration details are as below:

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

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

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

APPOINTMENT / RESIGNATION OF DIRECTORS

Mr. R. GowriShanker (Din : 00104597), Non Executive & Non Independent Director, was appointed by the Board of Directors as an Additional Director of the company with effect from 21st October, 2019 and his period of office will be liable to determination by retirement of directors by rotation.

Mr. V.J. Singh, (Din: 03129164), Non Executive & Non Independent Director, who appointed by the Board of Directors as an Additional Director of the company with effect from 21st October, 2019 and his period of office will be liable to determination by retirement of directors by rotation.

Mr. A.V. Ram Mohan, (Din: 02093767), was appointed as an Additional Independent Director to hold office for 5 consecutive years from 21st October, 2019 to 20th October 2024. The appointment is subject to the approval and confirmation of the shareholders in the ensuing Annual General Meeting.

Mrs. Anumolu Jayasree (DIN: 00845666) retires by rotation and being eligible, has offered herself for re-appointment.

APPOINTMENT / CESSATION OF KEY MANAGERIAL PERSONS

RETIREMENT

Mr. Krishnamurthy Murali retired as Company Secretary on 31.05.2020. The Board placed on record the services rendered by him during his tenure as Company Secretary.

APPOINTMENT

Ms. T. Anantha Jothi, (M No. ACS. 60343) was appointed as

the whole time Company Secretary and Compliance Officer of the company with effect from 01.06.2020, as per the provisions of section 203 of Companies Act 2013 and Rule 8 and Rule 8A of Companies appointment & remuneration of Managerial Personnel Rules 2014), Details are available on the website of the Company at <https://www.beardsell.co.in>.

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

REMUNERATION POLICY OF THE COMPANY

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

DECLARATION BY INDEPENDENT DIRECTORS:

The declaration by Independent Directors has been placed in our website www.beardsell.co.in

FORMAL ANNUAL EVALUATION

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

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

The Board of Directors individually and as a whole has been formally evaluated by the Independent Directors at their meeting held on 12th February, 2020.

AUDIT COMMITTEE

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

During the financial year 2019-20 Four Audit Committee Meetings were held on 24/05/2019, 28/06/2019, 12/11/2019 and 12/02/2020



BEARDELL LIMITED

CIN NO :L65991TN1936PLC001428

VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company has established a vigil mechanism for directors and employees to report genuine concerns and the same is hosted in our website www.beardsell.co.in

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY REPORTING (CSR)

CSR Reporting forms part of this Report. During the financial year 2019-20, one Committee meeting was held on 12/02/2020. The details are furnished under the Corporate Governance Report (CGR).

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

- (i) Loans : NIL
- (ii) Guarantees : Rs. 200.00 lakhs
- (iii) Investments : Rs. 190.17 lakhs

SECRETARIAL AUDITOR AND REPORT

A Secretarial Audit Report Form No.MR.3 for Financial year 2019-20, is annexed herewith, as **Annexure** to this Board's Report given by Mr.Rabindrakumar Samal, Practicing Company Secretary, Chennai.

Mr. Rabindra Kumar Samal Practicing Company Secretary (FCS7649 and COP-18278), was appointed for three years from 2020-2021 to 2022-2023.

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

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

PRACTICING COMPANY SECRETARIES CERTIFICATE ON CORPORATE GOVERNANCE

Mr.Rabindra Kumar Samal, Practicing Company Secretary,

Chennai, has given a certificate regarding compliance of conditions of Corporate Governance as stipulated in the Provisions of SEBI (LODR) Regulations 2015 and the same is annexed to this report.

RISK MANAGEMENT POLICY

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

EMPLOYEE RELATIONS

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

Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts for the financial year ended 31st March 2020, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) the Directors had prepared the accounts for the financial year ended 31st March 2020 on a "going concern" basis.
- (e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

CORPORATE GOVERNANCE

Your Directors report that your Company has been fully compliant with the SEBI (LODR) Regulations 2015 on Corporate Governance. A detailed report is Annexed.

ACKNOWLEDGMENT

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

For and on behalf of the Board

V.J. Singh
Director

Chennai
19th August, 2020

Amrith Anumolu
Executive Director

Related party transactions

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

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

Details of contracts or arrangements or transactions not at arm's length basis	:	Nil
<i>Details of material contracts or arrangements or transactions at arm's length basis:</i>	:	
1) Name of the related party and nature of relationship	:	Gunnam Subba Rao Insulation Pvt Ltd.,
i. Nature of contracts/arrangements/transactions	:	Lease of land and buildings to Beardsell Ltd
ii. Duration of contracts/arrangements/transactions	:	On Going
		Rs. In Lakhs
iii. Salient terms of contract including value	:	Lease Rentals 48.00 per Annum
iv. Date of Approval if any	:	24th May 2019
v. Amount Paid as advances if any	:	NIL

Details of contracts or arrangements or transactions not at arm's length basis	:	Nil
<i>Details of material contracts or arrangements or transactions at arm's length basis:</i>	:	
1) Name of the related party and nature of relationship	:	Korean Painting and Plating Private Limited
i. Nature of contracts/arrangements/transactions	:	Lease of open space of land by Beardsell Ltd
ii. Duration of contracts/arrangements/transactions	:	On Going
		Rs. In Lakhs
iii. Salient terms of contract including value	:	Lease Rentals 4.44 per Annum
iv. Date of Approval if any	:	24th November 2019
v. Amount Paid as advances if any	:	NIL

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:****BOARD'S REPORT FOR THE YEAR ENDED 31/03/2020 PARTICULARS OF EMPLOYEES:**

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

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

Name of the Director	Ratio
Mr. Bharat Anumolu	2.09
Mr. Amrith Anumolu	8.56
Mrs. Jayasree Anumolu	*
Mr. R. Gowri Shanker	*
Mr. V.J. Singh	*
Mr. Gurram Jagannatha Reddy	*
Mr. A.V. Ram Mohan	*

The median remuneration of the employees of the company during the Financial Year 2019-20 was Rs.4,35,507/-

(*) Remuneration received is only sitting fees and ratio of remuneration of Directors to the median Remuneration of employees of the Company does not arise.

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year:

Name of the Director	Designation	% of increase in Remuneration
Mr. Bharat Anumolu	Managing Director	#
Mr. Amrith Anumolu	Executive Director	#
Mrs. Jayasree Anumolu	Non Executive Director	#
Mr. R.Gowri Shanker	Non Executive Director	#
Mr. V.J. Singh	Non Executive Director	#
Mr. A.V. Ram Mohan	Independent Director	#
Mr. Gurram Jagannatha Reddy	Independent Director	-
Mr. V.V. Sridharan	Chief Financial Officer	-
Mr. K.Murali	Company Secretary	-

(#) The remuneration to non-executive Independent Directors / Wholtime Directors comprises of sitting fees for attending the Board / Committee

meetings. The actual payment of sitting fee is based on the number of meetings attended by the Directors. In view of the aforesaid facts, the calculation of percentage increase in remuneration would not be meaningful and hence not provided.

The percentage increase in the remuneration of Chief Financial Officer and Company Secretary in the financial year: NIL

(iii) The percentage increase in the median remuneration of employees in the financial year: NIL

(iv) The number of permanent employees on the rolls of the company: 224

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

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

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

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

(i) None of the employee was in receipt of remuneration for the financial year 2019-20, which, in aggregate, was not less than sixty lakh rupees; and

(ii) None of the employee who was employed for a part of the financial year 2019-20 was in receipt of remuneration for any part of the financial year 2019-20, at a rate, which, in the aggregate, was not less than five lakh rupees per month.

MANAGEMENT DISCUSSIONS AND ANALYSIS Industry Structure & Development

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

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

Outlook on Opportunities and Threat

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

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

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

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

Segment Wise Performance

Insulation division which comprises manufacture of EPS Products/ Prefab Panels and related Contracting activities earned a revenue of Rs. 12694.00 Lakhs 91.36 % of the total revenue.

Trading and other Segments which comprises Motors and Exports earned a revenue of Rs.1201.00 Lakhs 8.64 % of the total revenue.

Internal Control System

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

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

Material Development in Human Resources

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

ANNEXURE REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2020

1. COMPANY'S PHILOSOPHY :

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

2. BOARD OF DIRECTORS

a) Composition

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

INFORMATION ON BOARD OF DIRECTORS AND ATTENDANCE

Sl. No.	Name of Directors	Category of Directorship	No. of Board Meetings		No. of other Directorship*	No. of other Committee****		Attendance of last AGM
			Held	Attended		Member	Chairman	
1	Mr. R. Gowri Shanker*	Chairman & Non Executive, Non - Independent Director	7	6	2	-	-	NA
2	Mr. Amrith Anumolu	Executive Director	7	7	-	-	-	YES
3	Mr. V.J. Singh***	Non Executive - Non Independent Director	7	6	-	-	-	YES
4	Mrs. Jayasree Anumolu	Non Executive - Non Independent Director	7	6	-	-	-	NO
5	Mr. Gurrarn Jagannatha Reddy	Non Executive - Independent Director	7	5	-	-	-	YES
6	Mr. A.V. Ram Mohan	Non Executive - Independent Director	7	3	-	-	-	NA

* Mr.R.Gowrishankar, Independent Director had resigned on 16th, September, 2019 and appointed as Non-executive Director w.e.f. 21/10/2019

*** Mr. V J .Singh, Independent Director vacated office on 30th, September 2019 and appointed as Non-executive Director w.e.f. 21/10/2019

Mr. Bharat Anumolu, Director, resigned on 3rd, June 2019 attended one board meeting held on 24th May 2019.

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

During the Financial Year 2019-2020, seven Board Meetings were held on 24/05/2019, 28/06/2019, 14/08/2019, 30/09/2019, 21/10/2019, 12/11/2019 and 12/02/2020.

3. AUDIT COMMITTEE

I Terms of Reference

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

II Composition and attendance

Audit Committee Meeting

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

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

The Committees reconstituted after the appointment of Directors after 21st, October 2019.



BEARDELL LIMITED

CIN NO :L65991TN1936PLC001428

During the financial year 2019-20 Four Audit Committee Meetings were held on 24/05/2019, 14/08/2019, 12/11/2019 and 12/02/2020

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

* Mr.R.Gowrishankar, Independent Director had resigned on 16th, September, 2019 and appointed as Non-executive Director w.e.f. 21/10/2019

** Mr. V J .Singh, Independent Director vacated office on 30th, September 2019 and appointed as Non-executive Director w.e.f. 21/10/2019

*** Mr. A.V. Ram Mohan, appointed as Independent Director w.e.f. 21/10/2019

4. NOMINATION AND REMUNERATION COMMITTEE

The Company is having a Nomination and Remuneration Committee in line with SEBI (LODR) Regulations 2015, which is responsible for all matters concerning appointment and recommending the remuneration payable to Directors. The Committee comprises Mr. V. J. Singh, Mr. R. Gowri Shanker and Mrs. A. Jayasree.

The Committee reconstituted after the appointment of Directors after 21st, October 2019.

During the financial year 2019-20 Two Committee meetings was held on 20th May, 2019 and 28th June, 2019.

Sl. No	Directors	Designation	No of meetings attended
1	Mrs. Jayasree Anumolu	Non Executive Director	2
2	Mr. R. Gowrishankar	Non Executive Director	2
3	Mr. V.J. Singh	Non Executive Director	2

a) SITTING FEES PAID TO DIRECTORS FOR THE FINANCIAL YEAR 2018-2019

(Rs. In Lakhs)

Sl. No	Directors	Sitting Fees
1	Mr. R. Gowri Shanker	1.80
2	Mr. Bharat Anumolu *	0.15
3	Mr. Amrith Anumolu	1.50
4	Mrs. Anumolu Jayasree	1.20
5	Mr. A.V. Ram Mohan	0.90
6	Mr. V.J. Singh	1.65
7	Mr. Gurram Jeganatha Reddy	1.35
8	TOTAL	8.55

* Mr. Bharat Anumolu, Director, resigned on 3rd, June 2019 attended one board meeting held on 24th May 2019.

b) REMUNERATION PAID TO WHOLE TIME DIRECTORS

(Rs. in Lakhs)

Sl. No	Name	Salary	Perquisites and Allowances	Commission to be paid*	Contribution to Provident Fund and Super Annuation Funds	Total
1	Mr. Bharat Anumolu	7.73	0.07	-	1.31	9.11
2	Mr. Amrith Anumolu	30.40	1.76	-	5.13	37.29
	Total	38.13	1.83	-	6.44	46.40

* Board has not recommended commission to whole time directors for the year 2019-20.

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Committee reconstituted after the appointment of Directors after 21st, October 2019.
During the financial year 2019-20 One Committee meeting was held on 12th February, 2020.

CSR COMMITTEE COMPRISES OF THE FOLLOWING DIRECTORS :

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

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company is having a Stakeholders Relationship Committee in line with the SEBI (LODR) Regulations 2015, which is responsible for all matters concerning the share transfers, transmissions, issue of duplicate Share Certificates and redressal of Investor's Grievances. The Committee comprises Mr. R. Gowri Shanker, Mr. V.J. Singh and Mr. Amrith Anumolu, Mr. Gurram Jeganatha Reddy. The Committee reconstituted after the appointment of Directors after 21st, October 2019.

Ms. T. Anantha Jothi Company Secretary, is the Compliance Officer.

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

Opening Balance	Received during the Financial Year 2019-20	Resolved during the Financial Year 2019-20	Closing Balance
NIL	NIL	NIL	NIL

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

Financial Year	AGM	Location	Date	Time
2018-19	82nd	Hindustan Chamber of Commerce, HC Kothari Memorial Hall, "GreemsDugar", South Wing, 5th Floor, 149 Greems Road, Chennai - 600006	30/09/2019	10.00 A.M.
2017-18	81st	Narada Gana Sabha, 314, TTK Salai, Chennai-600018	29/09/2018	10.00 A.M.
2016-17	80th	Narada Gana Sabha, 314, TTK Salai, Chennai-600018	14/09/2017	10.00 A.M.

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

Year	Date	Special Resolution Considered
2018-2019	30/09/2019	1
2017-2018	29/09/2018	-
2016-2017	14/09/2017	2

8. SEBI (Prohibition of Insider Trading) Regulations 1992

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

9. DISCLOSURE

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



BEARDELL LIMITED

CIN NO :L65991TN1936PLC001428

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

10. CODE OF CONDUCT

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

11. COMPLIANCE WITH CORPORATE GOVERNANCE NORMS

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in SEBI (LODR) Regulations 2015. The Company has submitted the compliance report in the prescribed format to the stock exchanges for the quarters ended June 30, 2019, September 30, 2019, December 31, 2019 and March 31, 2020.

The Practicing Company Secretary has certified that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the listing agreements with the stock exchanges. The said certificate is annexed to this Report and will be forwarded to the Stock Exchanges and the Registrar of Companies, Tamilnadu, Chennai, along with the Annual Report.

12. CEO/CFO CERTIFICATION

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

13. MEANS OF COMMUNICATION

In compliance with SEBI (LODR) Regulations 2015, the requirements of Listing Agreements, Company regularly submits un-audited as well as audited financial results to the Stock Exchange. These financial results are normally published in Trinity Mirror English and Makkal Kural Tamil.

14. GENERAL SHARE HOLDERS INFORMATION

a) General Body Meeting

The 83rd Annual General Meeting of the Company will be held on 30th September 2020 at 10.00 A.M through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

b) Financial Calendar

The Next Financial Year covers the period from 1st April, 2020 to 31st March, 2021.

Results for the Period	Expected date of Completion
First Quarter	August, 2020
Second Quarter & Half-Yearly	November, 2020
Third Quarter	February, 2021
Fourth Quarter	May, 2021

c) Date of Book Closure and Record Date

Book Closure : 24th September, 2020 to 30th September, 2020 (both days inclusive).
Record Date : 23rd September, 2020.

- d) Dividend on Equity Shares : @ Re.0.10 per Share (5 percent)
Payment Date : Payable on or before 29th October, 2020

ANNEXURE

e) (i) Shareholding Pattern as on 31st March, 2020

	Category	No. of Shares Holders	No. of Shares Held	Percentage Of Share Holding
A	Promoter And Promoters Holding			
	a. Individuals	3	14651062	52.14
	b. Central Government and State Government	-	-	-
	c. Bodies Corporate	2	4339393	15.44
	d. Foreign Promoters	-	-	-
	Total Share Holding of Promoter And Promoters Group	5	18990455	67.58
B	Public Share Holding			
	1. INSTITUTIONS			
	a. Mutual Funds	-	-	-
	b. Venture Capital Funds	-	-	-
	c. Alternative Investment Funds			
	d. Foreign Venture Capital Investors	-	-	-
	e. Foreign Portfolio Investors	-	-	-
	f. Financial Institutions / banks	6	24240	0.09
	g. Insurance Companies	-	-	-
	h. Provident Funds / Pension Funds	-	-	-
	i. Any other			
	Central Government / State Government (s)	1	1080000	0.38
	j. Market Maker	-	-	-
	SUBTOTAL (B) (1)	7	132240	0.47
	2. Central Government / State Government President of India	-	-	-
	3. NON INSTITUTIONS			
	a. INDIVIDUALS			
	I. Individual Share holders holding Nominal Share Capital up to Rs.2.00 Lakhs	5794	4417633	15.72
	II. Individual Share holders holding Nominal Share Capital in excess of Rs.2.00 Lakhs	9	3478412	12.38
	b. NBFCs Registered with RBI	-	-	-
	c. EMPLOYEE TRUSTS	-	-	-
	d. Overseas Depositories (holding DRs) (balancing figure)	-	-	-
	e. ANY OTHER			
	Bodies Corporates	46	715112	2.54
	Clearing Members	6	1566	0.01
	Foreign Nationals	-	-	-
	Hindu Undivided Families	149	299771	1.07
	Non Resident Indians-non-Repatriate	19	13486	0.05
	Non Resident Indians-Repatriate	37	50333	0.18
	Trust	-	-	-
	SUBTOTAL (B) (3)	6060	8976313	31.95
	TOTAL = B(1)+B(2)+B(3)	6067	9108533	32.42
	GRAND TOTAL	6072	28099008	100.00

(ii) DISTRIBUTION OF HOLDINGS AS ON 31ST MARCH, 2020

No. of Shares	Shareholders		Share Amount	
	Nos.	% Total Number of Shares	In Rs.	% to Total Share Amount
Up to 5000	5699	93.86	4130464	7.35
5001 to 10000	227	3.74	1598408	2.84
10001 to 20000	76	1.25	1050876	1.87
20001 to 30000	21	0.35	512998	0.91
30001 to 40000	8	0.13	269326	0.48
40001 to 50000	5	0.08	228242	0.41
50001 to 100000	10	0.16	692222	1.23
100001 & above	26	0.43	47715480	84.91
TOTAL	6072	100.00	56198016	100.00



BEARDELL LIMITED

CIN NO :L65991TN1936PLC001428

f) Share Transfer Systems

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

g) Dematerialisation of Shares as on 31st March, 2020 - 2,56,35,548 shares (91.23%) have been dematerialised.

h) Registrar and Share Transfer Agents

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

Address of the Share Transfer Agent:

The General Manager

M/s Cameo Corporate Services Limited

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

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

i) Listing On Stock Exchange

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

Listing fees has been paid up-to-date.

Stock Code in NSE: "BEARDELL"

SCRIP Code in

BSE: "539447"

j) Market Price Data:

Monthly High / Low & Closing Prices during each month in the financial year 2019-2020.

Month	NATIONAL STOCK EXCHANGE OF INDIA LIMITED				BSE LIMITED			
	High Rs.	Low Rs.	Closing Rs.	Volume Traded Nos	High Rs.	Low Rs.	Closing Rs.	Volume Traded Nos
Equity Share Value Rs.2/- per Share								
April 2019	17.80	14.00	15.10	47,317.00	17.50	13.25	15.50	3765.00
May 2019	20.80	13.35	15.00	1,29,333.00	19.45	13.60	15.85	7741.00
June 2019	17.50	12.55	15.45	66,917.00	18.95	10.85	15.95	36325.00
July 2019	17.40	12.25	15.00	32,583.00	18.45	13.00	13.60	7009.00
August 2019	17.40	10.40	12.75	28,735.00	15.78	10.60	13.14	3684.00
September 2019	13.00	10.10	10.50	60,152.00	15.00	11.00	11.95	1793965.00
October 2019	12.05	9.00	10.85	49,454.00	12.18	8.80	11.49	5985.00
November 2019	12.40	8.55	9.35	1,42,151.00	14.30	9.01	9.01	57056.00
December 2019	9.75	6.80	7.80	1,16,484.00	14.30	6.20	8.00	132011.00
January 2020	13.45	7.10	10.35	5,29,304.00	13.49	6.52	9.50	66046.00
February 2020	-	-	-	-	9.75	7.22	7.22	7308.00
March 2020	7.20	6.05	6.80	37,560.00	7.50	6.20	6.20	3522.00

k) Address For Correspondence

Registered Office:

Secretarial Department

BEARDELL LTD

47, Greams Road,

Chennai-600006

Tel: (044) 28293296

Email: ho@beardsell.co.in

l) Company Plant Locations :

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

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

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

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

COMPLIANCE

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

For and on behalf of the Board

Amrith Anumolu
Executive Director

Chennai
19th August, 2020

V.J. Singh
Director

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)
ACTIVITIES FOR THE FINANCIAL YEAR 2018-19**

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and the projects or programs and the composition of the CSR Committee	The Company's focus on CSR is towards providing quality education for needy and poor children
2	Average Net Profit of the Company for the last three years	Rs. 368.45 Lacs
3	Prescribed CSR expenditure (two percent of the amount mentioned in item 2 above)	Rs. 7.37 Lacs
4	Details of CSR spend during the financial year Total amount to be spent for the financial year	Rs. 7.37 Lacs
5	Amount actually spent	Rs. 4.59 Lacs
6	Manner in which amount spent during the financial year	Details given below

S.No.	CSR Project or Activity Identified	Sector in which the project is covered	Area Where programme undertaken	Amount of Outlay (Rs in Lacs)	Amount Spent (Rs. in Lacs)	Cumulative expenditure upto the reporting period (FY 2018-19)	Amount Spent Direct or implementing agency
1	Sri Saraswathi Vidhya Peedham	Promotion of education	Hyderabad	0.80	0.80	0.80	Implementing Agency
2	Rotary Club of Madras Charitable Trust	To help in education and medical facilities to the needy persons	Chennai	3.00	3.00	3.00	Implementing Agency
3	School at Tirunelveli, Tamil Nadu	Provision of LED Smat TV to a school	Tirunelveli	0.44	0.44	0.44	Direct by Company
4	Kilacherry Panchayat, Thiruvallur District, Tamilnadu	Advance to Water Pipeline to the Village	Thiruvallur	0.35	0.35	0.35	Direct by Company
	Total			4.59	4.59	4.59	

Note: Due to COVID-19 Pandemic Pan-India and globally, we could not make the CSR spend to the extent of Rs.2.78 lakhs before 31st March 2020 which will be done in the financial year 2020-21.

RESPONSIBILITY STATEMENT

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

"The implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with CSR objectives and policy of the company"

V.J. Singh
Non Executive Director

Amrith Anumolu
Executive Director



FORM NO. MR.3
Secretarial Audit Report for the Financial Year Ended March 31, 2020
(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To the Members
BEARDELL LIMITED
47, GREAMS ROAD,
CHENNAI – 600 006

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed website and other records made available to us and maintained by the Company for the Financial Year ended on March 31, 2020 according to the provisions of:

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

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

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

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

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

1. As per the Regulation 34 (1) (a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the listed entity shall submit to the stock exchange and publish on its website a copy of the annual report sent to the shareholders along with the

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

notice of the annual general meeting not later than the day of commencement of dispatch to its shareholders. However, the Company has not submitted the Annual Report on or before the day of commencement of dispatch to its shareholders and has submitted to the Exchanges on 27th September, 2019, which was delayed by around 20 days.

We further report that

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

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further

information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

Chennai
August 19, 2020

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

UDIN- F007649B000596435

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

The Members
BEARDELL LIMITED
47, Greames Road
Chennai - 600 006

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

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

Chennai
August 19, 2020

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



BEARSELL LIMITED

CIN NO :L65991TN1936PLC001428

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

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

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

Chennai
August 19, 2020

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

Certificate on Corporate Governance

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

We have examined the compliance on the conditions of Corporate Governance by **Beardsell Limited ('the Company')** for the year ended on March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'SEBI Listing Regulations'**).

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended March 31, 2020.

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

Chennai
August 19, 2020

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

Declaration on Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for the Board of Directors and Senior Management of the Company. The same is available on the website of the Company as www.beardsell.co.in. As Executive Director of Beardsell Limited and as required as per Provisions of SEBI (LODR) Regulations 2015, I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the Financial Year 2019 -2020.

Chennai
June 29, 2020

Amrith Anumolu
Executive Director

TEN YEAR RECORD

(Rs. in Lakhs)

	Year ended 31st March									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Income	7972.62	9643.04	9609.92	10704.20	13202.42	15122.88	18060.02	15158.90	17119.39	14010.44
Profit before Depreciation	625.70	514.22	685.26	424.88	299.28	835.68	1449.02	359.36	283.46	650.64
Depreciation	104.59	163.48	179.33	222.52	304.50	322.33	337.12	319.11	330.27	497.23
Taxation - Current	140.00	116.00	121.65	4.70	0.00	155.00	412.00	18.57	22.58	200.00
- Deferred	51.99	(0.51)	90.23	68.54	4.61	29.82	8.70	(42.98)	(1.14)	(155.06)
Profit / (Loss) after Tax	329.12	235.25	294.05	129.12	(9.83)	328.53	691.20	64.66	(68.25)	108.47
Dividend	-	46.83	46.83	46.83	46.83	56.20	70.25	67.44	-	67.44
Tax on Dividend	-	7.61	7.96	7.96	9.53	11.44	14.30	13.73	-	13.86
Retained Funds	329.12	180.81	239.26	74.33	(66.19)	260.89	606.65	(16.51)	(68.25)	27.17
Share Capital	383.32	468.32	468.32	468.32	468.32	468.32	468.32	561.98	561.98	561.98
Earnings per Share (Rs.)	8.59	5.02	6.28	2.76	(0.21)	7.02	2.46	0.23	(0.24)	0.39
Net Worth	2540.89	3011.70	3250.96	3325.29	3253.32	3514.21	4108.72	4110.06	4031.86	4055.28
Book Value per Share (Rs.)	66.29	64.31	69.42	71.00	69.47	75.04	17.55	14.63	14.35	14.43

**Report on the Audit of the Standalone Ind AS Financial Statements****Opinion**

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

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2.2 of the Standalone Financial Statements which describes the impact of Covid-19 pandemic, and its possible consequential implications, if any, on the Company's operations and the carrying value of its assets as at March 31, 2020. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

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



Key audit matters	How our audit addressed the key audit matter
Physical verification of Inventories (as described in Note 2.3.g of the Standalone Ind AS financial statements)	
<p>Total Inventory of Rs 1,094.97 lakhs which represents 9.92% of total assets of the Company as at March 31, 2020. Inventory is held across 6 factories and 9 branches as at the reporting date.</p> <p>Considering the number of locations and the level of inventory held across its factories and branches, as well as the conducting of physical verification of inventory at these locations on different dates due to COVID-19 and consequential lockdown restrictions, this is a significant area of audit importance. Accordingly, the above issue has been considered as a key audit matter.</p>	<p>Our audit response consisted of audit procedures including:</p> <ul style="list-style-type: none"> • Understanding the Company's process for establishing the existence of inventories including the design and implementation of monthly controls in relation to physical verification of inventories performed by management at various locations and testing the operating effectiveness of such control. • Observing the physical verification of Inventory conducted by management in certain significant locations selected by us. Our procedures in this regard included <ul style="list-style-type: none"> - Inquiring that the stock count instructions were sent by management to appropriate personnel in the relevant location and steps taken by management to ascertain the existence inventory on the date of the count (including identification of non-moving, obsolete / damaged inventory); - Performing independent inventory counts on sample basis and reconciling the same to the management counts; - On a sample basis, testing the reconciliation of the differences in inventory quantity between the physical count and the books of accounts, including accounting of such variances basis management approval; and - Performing roll-forward or roll-backward procedures on sample basis (as applicable) from date of count to the reporting date as the physical verification of inventory was undertaken by management on different dates across various locations during the year in line with the guidance issued by Institute of Chartered Accountants of India (ICAI) on key audit considerations amid COVID-19. • Performing analytical reviews of purchases and inventory during the audit period to identify any unusual trends for further testing. • On a sample basis, performing tests of purchase and sales transactions made near the reporting date to assess whether transactions are recorded in the correct period by testing shipping records, sales / purchase invoices (as applicable).

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with

the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

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

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



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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 50 b to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Aravind K

Partner

Membership Number: 221268

UDIN: 20221268AAAABB9882

Place of Signature: Chennai

Date: June 29, 2020

Annexure 1 to the Independent Auditor's Report

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

Re: Beardsell Limited ('the Company')

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

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

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

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)*	Period to which the amount relates	Forum where Dispute is pending
Sales Tax Acts of various States	Sales Tax	1.05	1995-96, 2000-01, 2001-02, 2003-04.	Deputy Commissioner, Assistant Commissioner and other appellate authorities
Central Sales Tax Act, 1956	Central Sales Tax	525.16	1995-96, 2003-04, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2016-17	High Court, Deputy Commissioner and Commercial Tax Officer of various states

* Net of Rs.0.74 Lakhs sales tax and Rs.56.15 lakhs central sales tax paid under protest.

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



- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Aravind K

Partner

Membership Number: 221268

UDIN:20221268AAAABB9882

Place of Signature: Chennai

Date: June 29, 2020

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

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

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

Opinion

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

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Aravind K

Partner

Membership Number: 221268

UDIN: 20221268AAAABB9882

Place of Signature: Chennai

Date: June 29, 2020



BEARSELL LIMITED

CIN No : L65991TN1936PLC001428

Standalone Balance Sheet as at March 31, 2020

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

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(Rs. in Lakhs)			
ASSETS			
Non current assets			
Property, plant and equipment	3a	3,154.80	3,391.27
Capital work in progress	3a	111.54	101.86
Intangible assets	3b	81.51	10.50
Right-of-use assets	49	458.76	-
Intangible assets under development	3b	-	84.40
Financial assets			
Investments in subsidiaries	4	27.93	21.12
Investments in controlled entity	4	112.15	112.15
Other investments	4	50.09	50.78
Loans	5	7.56	6.57
Trade receivables	6	24.78	34.01
Bank balances other than cash and cash equivalents	7	180.11	228.75
Others	8	103.86	102.50
Non-current tax assets (net)	9	25.29	87.42
Other non-current assets	10	11.33	7.69
		4,349.71	4,239.02
Current assets			
Inventories	11	1,094.97	999.94
Financial assets			
Trade receivables	12	3,868.12	4,502.73
Cash and cash equivalents	13	62.51	292.30
Bank balances other than cash and cash equivalents	14	72.06	70.93
Loans	15	19.42	38.73
Others	16	143.16	66.01
Other current assets	17	1,431.86	1,156.64
		6,692.10	7,127.28
Total assets		11,041.81	11,366.30
EQUITY and LIABILITIES			
Equity			
Equity share capital	18	561.98	561.98
Other equity	19	3,493.30	3,469.88
Total equity		4,055.28	4,031.86
Liabilities			
Non current liabilities			
Financial liabilities			
Borrowings	20	634.66	529.70
Lease Liabilities	21	346.96	-
Other financial liabilities	22	3.43	2.03
Provisions	23	77.03	76.65
Deferred tax liabilities (net)	24	16.11	182.82
		1,078.19	791.20
Current liabilities			
Financial liabilities			
Borrowings	25	2,202.77	2,891.02
Trade payables	26	-	-
Total outstanding dues of micro, small and medium enterprises		-	-
Total outstanding dues of creditors other than micro, small and medium enterprises		2,713.42	2,728.88
Lease liabilities	27	129.36	-
Other financial liabilities	28	135.44	257.10
Other current liabilities	29	531.31	608.05
Provisions	30	37.73	58.19
Current tax liabilities (net)	31	158.31	-
		5,908.34	6,543.24
Total equity and liabilities		11,041.81	11,366.30

Summary of significant accounting policies

2.3

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

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Aravind K

Partner

Membership no.: 221268

Place : Chennai

For and on behalf of the Board of Directors

Beardsell Limited

Amrith Anumolu

Executive Director

DIN : 03044661

Place : Hyderabad

V.V. Sridharan

Chief Financial Officer

Place : Chennai

Date : June 29, 2020

V.J. Singh

Director

DIN : 03129164

Place : Tirunelveli

T. Anantha Jothi

Company Secretary

Place : Madurai

Date : June 29, 2020

Date : June 29, 2020

**Standalone Statement of Profit and Loss
for the year ended March 31, 2020**

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

Particulars	Note No.	Year ended	Year ended
		March 31, 2020	March 31, 2019
		(Rs. in Lakhs)	
INCOME			
Revenue from contracts with customers	32	13,895.46	16,962.19
Other Income	33	77.16	138.30
Finance Income	34	37.82	18.90
Total Income		14,010.44	17,119.39
Expenses			
Cost of materials consumed	35	7,675.41	10,265.80
Purchase of traded goods	36	1,226.62	1,910.46
Changes in inventories of finished goods, work-in-progress and traded goods	37	(70.65)	(10.05)
Employee benefits expense	38	1,551.17	1,659.72
Finance costs	39	506.32	477.15
Depreciation and amortisation expense	40	497.23	330.27
Other expenses	41	2,540.28	2,532.85
Total expenses		13,926.38	17,166.20
Profit/(loss) before exceptional items and tax		84.06	(46.81)
Exceptional items	42	69.35	-
Profit/(loss) before tax		153.41	(46.81)
Tax Expense	45		
Current tax		200.00	22.58
Deferred tax		(155.06)	(1.14)
Total tax expense		44.94	21.44
Profit/(loss) for the year		108.47	(68.25)
Other comprehensive income (OCI)	43		
Items not to be reclassified to profit or loss in subsequent periods:			
Gain/(loss) on FVTOCI financial assets		(0.69)	(0.32)
Income tax effect		0.17	0.09
Re-measurement gains / (losses) on defined benefit plans		(4.32)	(13.46)
Income tax effect		1.09	3.74
Other comprehensive income for the year, net of tax		(3.75)	(9.95)
Total comprehensive income/(loss) for the year		104.72	(78.20)
Earnings Per Equity Share Rs. 2/- each fully paid	44		
(March 31, 2019: Rs. 2/- each fully paid)			
Computed on the basis of total profit/(loss) for the year			
Basic (Rs.)		0.39	(0.24)
Diluted (Rs.)		0.39	(0.24)
Summary of significant accounting policies	2.3		

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

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

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

For and on behalf of the Board of Directors
Beardsell Limited

Amrith Anumolu
Executive Director
DIN : 03044661
Place : Hyderabad

V.V. Sridharan
Chief Financial Officer
Place : Chennai
Date : June 29, 2020

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

T. Anantha Jothi
Company Secretary
Place : Madurai
Date : June 29, 2020

Date : June 29, 2020



BEARDESELL LIMITED

CIN No : L65991TN1936PLC001428

Standalone Statement of changes in Equity for the year ended March 31, 2020

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

a. Equity Share Capital Equity Shares of Rs.2/- Each (March 31, 2019: Rs.2/- each) subscribed and fully paid up

	Number of shares	Rs. In Lakhs
As at April 01, 2018	28,099,008	561.98
Increase/(decrease) during the year	-	-
At March 31, 2019	28,099,008	561.98
Increase/(decrease) during the year	-	-
At March 31, 2020	28,099,008	561.98

b. Other Equity

Particulars	Reserves and surplus			Items of OCI	Total other equity
	Securities premium (Note 19)	General Reserve (Note 19)	Surplus in Profit and loss (Note 19)	FVTOCI reserve (Note 19)	
As at April 01, 2018	555.65	484.61	2,502.26	5.56	3,548.08
Profit / (loss) for the year	-	-	(68.25)	-	(68.25)
Other Comprehensive Income (Note 43)	-	-	(9.72)	(0.23)	(9.95)
Total Comprehensive Income	555.65	484.61	2,424.29	5.33	3,469.88
Cash dividend (Including dividend distribution tax)	-	-	-	-	-
As at March 31, 2019	555.65	484.61	2,424.29	5.33	3,469.88
Profit / (loss) for the year	-	-	108.47	-	108.47
Other Comprehensive Income (Note 43)	-	-	(3.23)	(0.52)	(3.75)
Total Comprehensive Income	555.65	484.61	2,529.53	4.81	3,574.60
Cash dividend (Including dividend distribution tax)	-	-	(81.30)	-	(81.30)
As at March 31, 2020	555.65	484.61	2,448.23	4.81	3,493.30

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

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Aravind K

Partner

Membership no.: 221268

Place : Chennai

For and on behalf of the Board of Directors

Beardsell Limited

Amrith Anumolu

Executive Director

DIN : 03044661

Place : Hyderabad

V.V. Sridharan

Chief Financial Officer

Place : Chennai

V.J. Singh

Director

DIN : 03129164

Place : Tirunelveli

T. Anantha Jothi

Company Secretary

Place : Madurai

Date : June 29, 2020

Date : June 29, 2020

Date : June 29, 2020

**Standalone Statement of Cash Flows
for the year ended March 31, 2020**
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	March 31, 2020	March 31, 2019
	(Rs. in Lakhs)	
Cash flows from operating activities		
Profit/(loss) before exceptional items and tax	84.06	(46.81)
Adjustments for:		
Depreciation and amortisation expense	497.23	330.27
Loss/ (gain) on sale of property, plant and equipment (net)	(7.52)	(0.95)
Dividend income	(0.02)	(0.02)
Finance income	(37.82)	(18.90)
Liabilities no longer required written back	(12.85)	-
Allowance for credit loss	474.12	7.93
Share of (profit)/loss from controlled entity	150.31	104.28
Finance costs	506.32	477.15
Net loss/ (gain) on foreign exchange fluctuations (unrealised)	(5.22)	20.58
Operating profit before Working Capital changes	1,648.61	873.53
Movement in working capital:		
(Increase) / Decrease in inventories	(95.03)	(53.06)
(Increase) / Decrease in current and non-current trade receivables	24.63	(469.95)
(Increase) / Decrease in financial and non-financial assets	(61.60)	42.52
(Increase) / Decrease in other assets	(275.22)	163.83
(Decrease) / Increase in trade payables	(2.61)	204.63
(Decrease) / Increase in financial, non-financial liabilities and provisions	(101.40)	53.77
Cash generated from operations	1,137.38	815.27
Income tax paid (net of refunds)	10.05	(44.04)
Net cash flows from operating activities (A)	1,147.43	771.23
Cash flows (used in) / from investing activities		
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(267.60)	(258.10)
Proceeds from sale of property, plant and equipment	31.11	8.65
Deposits made during the year (net of refunds)	48.64	15.39
Purchase of Investments	-	(3.29)
Dividends received	0.02	0.02
Finance income received	34.30	18.91
Net cash flows (used in) / from investing activities before exceptional items	(153.53)	(218.42)
Cash flow from exceptional items (refer note 42)	205.00	-
Net cash flow (used in) / from investing activities after exceptional items (B)	51.47	(218.42)



BEARDESELL LIMITED

CIN : L65991TN1936PLC001428

Standalone Statement of Cash Flows for year ended March 31, 2020

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

	March 31, 2020	March 31, 2019
	(Rs. in Lakhs)	
Net cash flows (used in) / from financing activities		
Proceeds from long-term borrowings	293.18	675.24
Repayment of long-term borrowings	(188.22)	(534.62)
Proceeds/ repayment of short - term borrowings (net)	(808.58)	(69.00)
Dividend paid (including dividend distribution tax)	(82.43)	13.68
Payment of principal portion of lease liabilities	(131.13)	-
Finance cost paid	(511.51)	(473.54)
Net cash flows (used in) /from financing activities (C)	(1,428.69)	(388.24)
Net decrease in cash and cash equivalents (A+B+C)	(229.79)	164.57
Cash and cash equivalents at the beginning of the year	292.30	127.73
Cash and cash equivalents at the year end	62.51	292.30
Components of cash and cash equivalents:		
Cash on hand	3.00	2.67
Cheques / drafts on hand	-	14.08
Balances with banks		
On current accounts	59.51	274.86
In deposits with original maturity of less than three months	-	0.69
Total cash and cash equivalents	62.51	292.30

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

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Aravind K

Partner

Membership no.: 221268

Place : Chennai

Date : June 29, 2020

For and on behalf of the Board of Directors

Beardsell Limited

Amrith Anumolu

Executive Director

DIN : 03044661

Place : Hyderabad

V.V. Sridharan

Chief Financial Officer

Place : Chennai

Date : June 29, 2020

V.J. Singh

Director

DIN : 03129164

Place : Tirunelveli

T. Anantha Jothi

Company Secretary

Place : Madurai

Date : June 29, 2020

1. Corporate information

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

These standalone financial statements were authorised for issue in accordance with a resolution of the directors on June 29, 2020.

2. Significant accounting policies

2.1. Basis of preparation

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

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

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

2.2. Impact of Covid-19 Pandemic

The outbreak of COVID-19 pandemic and the resulting lockdown enforced from March 23, 2020 has affected the Company's regular operations. Accordingly, the Company has considered the possible effects that may result from the pandemic on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external information which are relevant in determining the expected future performance of the Company. The Company has evaluated its liquidity position, recoverability of such assets and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

2.3. Summary of significant accounting policies

a) Current versus non-current classification

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

- i. Expected to be realised or intended to 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 Company has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.

b) Property, plant and equipment

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



BEARDELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Standalone Financial Statements for the year ended March 31, 2020

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

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

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

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

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

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

c) Intangible assets

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

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

d) Depreciation and amortisation

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

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

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

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

e) Leases

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

Company as lessee

The Company applies a single recognition and measurement approach for all leases. The Company 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 Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement 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 Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

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.

Company as lessor

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

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

Sale and lease back arrangements

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

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

f) Impairment of non-financial assets

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



BEARDELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Standalone Financial Statements for the year ended March 31, 2020

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

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

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

g) Inventories

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

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

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

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

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

h) Revenue from contracts with customers and Other income

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

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

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

i. Sale of products/ goods

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

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

ii. Service Income

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

Contract balances

Contract assets

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

Trade receivables

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

Contract liabilities

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

Cost to obtain a contract

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

iii. Interest income

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

iv. Dividend income

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

v. Rental Income

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

i) Foreign currency transactions

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

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

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

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



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Standalone Financial Statements for the year ended March 31, 2020

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

j) Government Grants

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

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

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

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

k) Research and development

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

l) Retirement and other employee benefits

Retirement benefit in the form of Provident Fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. There are no other obligations other than the contribution payable to the respective fund. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit method made at the end of each financial year.

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

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

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

The Company treats compensated absences expected not to occur within twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

m) Taxes

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

Current income tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences

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

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

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

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

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

n) Provisions

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

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

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

o) Contingent liabilities

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

p) Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Standalone Financial Statements for the year ended March 31, 2020

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

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

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

q) Borrowing costs

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

r) Fair Value Measurement

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

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability
- iii. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

s) Financial Instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or

loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

- i. 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 Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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 Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's standalone balance sheet) when:

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

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

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

Impairment of Financial Assets

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



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Standalone Financial Statements for the year ended March 31, 2020

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

- i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- ii. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions

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

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

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

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

The Company's financial liabilities include loans and borrowings, trade and other payables.

Subsequent measurement

Financial liabilities at fair value through profit and loss

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

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 recognised in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings

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

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

Financial guarantee contracts

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

De-recognition

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

Offsetting of financial instruments

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

t) Use of estimates

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

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

v) 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.



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Standalone Financial Statements for the year ended March 31, 2020

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

w) Earnings Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

x) Equity Investment in Subsidiaries and Controlled entities

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

y) Changes in accounting policies and disclosures

New and amended standards and interpretations

The Company applied Ind AS 116 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2020, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 116 - Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 01, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application.

● Leases previously classified as finance leases

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from 1 April 2019.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at April 01, 2019:

- Right-of-use assets of INR 526.82 lakhs were recognised and presented separately in the balance sheet.
- Corresponding lease liabilities of INR 526.82 lakhs were recognised.

**Notes to Standalone Financial Statements
for the year ended March 31, 2020**

The lease liabilities as at April 01, 2019 can be reconciled to the operating lease commitments as of March 31, 2019, as follows:

Assets	Amount in INR lakhs
Operating lease commitments as at March 31, 2019	350.74
<i>Adjustments:</i>	
Lease payments relating to renewal periods not included in operating lease commitments as at March 31, 2019	711.36
Discounting effect	(535.28)
Lease liabilities as at April 01, 2019	526.82

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex environment, it assessed whether the Appendix had an impact on its financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Company determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the Financial Statements of the Company.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the standalone financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.



BEARSELL LIMITED

CIN No. : L65991TN1936PLC001428

Notes to Standalone Financial Statements for the year ended March 31, 2020

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

3a Property, plant and equipment

Particulars	Freehold land	Leasehold Land	Buildings on Leasehold Land	Buildings on Freehold Land	Plant and Equipment	Computer	Furniture, Fixtures & Office Equipment	Leasehold improvements	Vehicles	Total Property, Plant and equipment	Capital work-in-progress
Gross block											
As at April 01, 2018	503.69	176.93	335.77	573.67	2,149.70	30.90	40.79	10.01	366.41	4,187.87	66.03
Additions	-	-	-	10.61	143.09	5.10	3.08	-	33.86	195.74	231.57
Disposals	-	-	-	-	(3.16)	-	(0.37)	-	(7.67)	(11.20)	-
Capitalisation	-	-	-	-	-	-	-	-	-	-	(195.74)
As at March 31, 2019	503.69	176.93	335.77	584.28	2,289.63	36.00	43.50	10.01	392.60	4,372.41	101.86
Additions	-	-	3.54	43.24	123.24	3.62	17.83	-	57.30	248.77	258.45
Disposals	-	(136.18)	(1.65)	-	(21.77)	-	-	-	(24.70)	(184.30)	-
Capitalisation	-	-	-	-	-	-	-	-	-	-	(248.77)
As at March 31, 2020	503.69	40.75	337.66	627.52	2,391.10	39.62	61.33	10.01	425.20	4,436.88	111.54
Depreciation											
As at April 01, 2018	-	8.76	19.04	59.29	422.70	17.81	19.40	1.01	107.24	655.25	-
Charge for the year	-	1.81	13.45	22.29	216.45	12.26	6.46	1.14	55.53	329.39	-
Disposals	-	-	-	-	(0.59)	-	(0.10)	-	(2.81)	(3.50)	-
As at March 31, 2019	-	10.57	32.49	81.58	638.56	30.07	25.76	2.15	159.96	981.14	-
Charge for the year	-	1.21	15.97	21.96	219.70	3.94	5.99	1.76	55.47	326.00	-
Disposals	-	(3.61)	(0.13)	-	(8.95)	-	-	-	(12.37)	(25.06)	-
As at March 31, 2020	-	8.17	48.33	103.54	849.31	34.01	31.75	3.91	203.06	1,282.08	-
Net carrying value											
As at March 31, 2019	503.69	166.36	303.28	502.70	1,651.07	5.93	17.74	7.86	232.64	3,391.27	101.86
As at March 31, 2020	503.69	32.58	289.33	523.98	1,541.79	5.61	29.58	6.10	222.14	3,154.80	111.54

(i) Charge on assets

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

(ii) Hire purchase arrangements

The carrying value of vehicles held under hire purchase contracts at March 31, 2020 was Rs. 132.59 lakhs (March 31, 2019: Rs. 144.96 lakhs). Additions during the year include Rs. 59.35 lakhs (March 31, 2019: Rs. 33.86 lakhs) of vehicles under hire purchase contracts. Assets under hire purchase contracts are hypothecated as security for the related hire purchase liabilities.

**Notes to Standalone Financial Statements
for the year ended March 31, 2020**
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

3b Intangible assets

Particulars	Software	Total Intangible assets	Intangible assets under development
<u>Gross block</u>			
As at April 01, 2018	-	-	69.25
Additions	11.38	11.38	15.15
Disposals	-	-	-
Capitalisation	-	-	-
As at March 31, 2019	11.38	11.38	84.40
Additions	93.55	93.55	9.15
Disposals	-	-	-
Capitalisation	-	-	(93.55)
As at March 31, 2020	104.93	104.93	-
<u>Depreciation</u>			
As at April 01, 2018	-	-	-
Charge for the year	0.88	0.88	-
Disposals	-	-	-
As at March 31, 2019	0.88	0.88	-
Charge for the year	22.54	22.54	-
Disposals	-	-	-
As at March 31, 2020	23.42	23.42	-
<u>Net carrying value</u>			
As at March 31, 2019	10.50	10.50	84.40
As at March 31, 2020	81.51	81.51	-



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Standalone Financial Statements for the year ended March 31, 2020

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

4 Non-current investments (fully paid up)	March 31, 2020	March 31, 2019
A Investment in subsidiaries (Unquoted equity instruments at cost)		
- 20,100 (March 31, 2019: 20,100) equity shares of Rs.100 each fully paid up in Sarovar Insulation Private Limited	27.93	21.12
Total Investment in subsidiaries (A)	27.93	21.12
B Investment in controlled entity (Capital contribution at cost)		
- Share of profits for the year ended March 31, 2020 : 100% (March 31, 2019 : 100%) in Saideep Polytherm	112.15	112.15
Total Investment in controlled entity (B)	112.15	112.15
C Other investment (Unquoted equity instruments at cost)		
- 18,000 (March 31, 2019 - 18,000) equity shares of Rs.10/- each fully paid up in Hyderabad EPS Products Private Limited (At cost less provision for impairment allowance Rs.180,000 (March 31, 2019: Rs. 180,000))	-	-
- 5,300 (March 31, 2019 - 5,300) equity shares of Rs.100/- each fully paid up in Pink Packaging & Moulding Private Limited (At cost less provision for impairment allowance Rs.750,000 (March 31, 2019: Rs.750,000))	-	-
- 6,000 (March 31, 2019 - 6,000) equity shares of Rs.10/- each fully paid up in SuRe Energy Systems Private Limited	25.00	25.00
- 214,878 (March 31, 2019 - 214,878) equity shares of Rs.10/- each fully paid up in Frontline Power Corporation Limited	24.75	24.75
(Quoted equity instruments at fair value through OCI)		
- 1,000 (March 31, 2019 : 1000) equity shares of Rs.2/- each fully paid up in Nava Bharat Ventures Limited	0.34	1.03
Total other Investments (C)	50.09	50.78
Total Investments (A+B+C)	190.17	184.05
The investment in subsidiaries include fair value of the corporate guarantee for an amount of INR 200 lakhs (March 31, 2019 - Nil) against the credit availed from DBS Bank.		
5 Loans (non-current)		
Loans to employees - secured, considered good	2.71	0.90
Loans to employees - unsecured, considered good	4.85	5.67
Total	7.56	6.57
Loans to employees are non-derivative financial assets which generate interest income for the Company. Vehicle loans to employees are secured by hypothecation of vehicles acquired out of the loan.		
6 Trade receivables (non-current) (Unsecured, considered good unless otherwise stated)		
Trade receivables	24.78	34.01
Total	24.78	34.01
No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.		
7 Bank balances other than cash and cash equivalents (non-current) In earmarked accounts		
Balances held as margin money	180.11	228.75
Total	180.11	228.75

**Notes to Standalone Financial Statements
for the year ended March 31, 2020**

	March 31, 2020	March 31, 2019
8 Other non-current financial assets (Unsecured, considered good unless otherwise stated)		
Security Deposits	103.86	102.50
Total	<u>103.86</u>	<u>102.50</u>
9 Non-current tax assets (net) (Unsecured, considered good unless otherwise stated)		
Advance income tax net of provision for tax	25.29	87.42
Total	<u>25.29</u>	<u>87.42</u>
10 Other non-current assets (Unsecured, considered good unless otherwise stated)		
Capital advances	11.33	7.69
Total	<u>11.33</u>	<u>7.69</u>
11 Inventories (Cost or net realisable value whichever is lower)		
Raw materials and packing materials	472.49	424.01
Work-in-progress	91.49	55.16
Finished goods	242.92	192.65
Stock-in-trade (acquired for trading)	218.62	234.57
Stores and spares	69.45	93.55
Total	<u>1,094.97</u>	<u>999.94</u>
<p>During the year ended March 31, 2020, Rs. 24.18 lakhs was recognised as an expense to bring the inventories to net realisable value. (March 31, 2019 : Rs. 21.42 lakhs)</p>		
12 Trade Receivables (Unsecured, considered good unless otherwise stated)		
Trade receivables	3,686.84	3,733.14
Receivables from related parties (refer note 48)	932.18	1,101.26
Total trade receivables	4,619.02	4,834.40
Trade receivables		
Considered good	3,868.12	4,502.73
Significant increase in credit Risk	20.82	21.89
Credit impaired	730.08	309.78
Total trade receivables	4,619.02	4,834.40
Impairment Allowance (allowance for bad and doubtful debts)		
Significant increase in credit Risk	(20.82)	(21.89)
Credit impaired	(730.08)	(309.78)
Total impairment allowance	<u>(750.90)</u>	<u>(331.67)</u>
Total trade receivables (net)	<u>3,868.12</u>	<u>4,502.73</u>

Trade Receivables are non-interest bearing and generally have credit period ranges from 30 - 90 days. There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member. For terms and conditions relating to related party receivables, refer note 48



BEARDELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Standalone Financial Statements for the year ended March 31, 2020

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

	March 31, 2020	March 31, 2019
13 Cash and cash equivalents		
Balances with Banks		
On current accounts	59.51	274.86
In deposits with original maturity of less than three months	-	0.69
Cheques / drafts on hand	-	14.08
Cash on hand	<u>3.00</u>	<u>2.67</u>
Total	<u>62.51</u>	<u>292.30</u>
14 Bank Balances other than cash and cash equivalents		
In earmarked accounts		
Unclaimed dividend accounts	18.56	17.43
Others (refer note below)	<u>53.50</u>	<u>53.50</u>
Total	<u>72.06</u>	<u>70.93</u>
Balances with banks - Other earmarked accounts represent fixed deposits made in pursuance of Rule 13 of the Companies (Acceptance of Deposits) Rules 2014.		
15 Loans (Current)		
(Unsecured, considered good unless stated otherwise)		
Loans to employees - secured	1.36	7.54
Loans to employees - Unsecured	<u>18.06</u>	<u>31.19</u>
Total	<u>19.42</u>	<u>38.73</u>
Loans to employees are non-derivative financial assets which generate interest income for the Company. Vehicle loans to employees are secured by hypothecation of vehicles acquired out of the loan.		
16 Other current financial assets		
(Unsecured, considered good unless stated otherwise)		
Security deposits	65.70	63.20
Unbilled revenue on projects	76.88	-
Interest receivable	<u>0.58</u>	<u>2.81</u>
Total	<u>143.16</u>	<u>66.01</u>

Breakup of financial assets

	March 31, 2020	March 31, 2019
At amortised cost		
Non-current and current loans	26.98	45.30
Trade receivables	4,619.02	4,834.40
Cash and cash equivalents	62.51	292.30
Bank balances	72.06	70.93
Other non-current and current financial assets	<u>247.02</u>	<u>168.51</u>
Total financial assets carried at amortised cost	<u>5,027.59</u>	<u>5,411.44</u>

**Notes to Standalone Financial Statements
for the year ended March 31, 2020**

17 Other current assets

(Unsecured, considered good unless otherwise stated)

	March 31, 2020	March 31, 2019
Advance paid for jobs in progress		
- Considered good	262.44	203.13
- Considered doubtful	120.96	41.57
Advances for supply and services	198.18	118.19
Advances for supply and services - from related parties	760.97	651.47
Prepayments	68.64	77.89
Balances with Statutory/Government Authorities	-	1.62
Surplus gratuity fund balance	33.21	37.08
Other advances	108.42	67.26
Less: Allowance for credit loss against doubtful advances	(120.96)	(41.57)
Total	<u>1,431.86</u>	<u>1,156.64</u>

18 Share Capital

18.1 Authorised share capital

Equity shares of Rs.2/- each (March 31, 2019: Rs. 2/- each)

	Number of shares	Rs. in Lakhs
At April 1, 2018	50,000,000	1,000.00
Increase/(decrease) during the year	-	-
At March 31, 2019	50,000,000	1,000.00
Increase/(decrease) during the year	-	-
At March 31, 2020	<u>50,000,000</u>	<u>1,000.00</u>

18.2 Issued, Subscribed and Paid-up Capital

Equity shares of Rs.2/- each (March 31, 2019: Rs.2/- each)
issued, subscribed and fully paid

	Number of shares	Rs. in Lakhs
At April 1, 2018	28,099,008	561.98
Increase/(decrease) during the year	-	-
At March 31, 2019	28,099,008	561.98
Increase/(decrease) during the year	-	-
At March 31, 2020	<u>28,099,008</u>	<u>561.98</u>

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.



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Standalone Financial Statements for the year ended March 31, 2020

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

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

	March 31, 2020		March 31, 2019	
	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	5,558,848	19.78%	7,603,048	27.06%
M/s. Gunnam Subba Rao Insulation Private Limited	3,328,320	11.84%	3,328,320	11.84%

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

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

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

19 Other equity

	March 31, 2020	March 31, 2019
Reserves and Surplus		
(a) Securities premium account		
Balance at the beginning of the year	555.65	555.65
Balance at the end of the year	555.65	555.65
(b) General reserve		
Balance at the beginning of the year	484.61	484.61
Add: Amount transferred from surplus in the statement of profit and loss	-	-
Balance at the end of the year	484.61	484.61
(c) Retained earnings		
Balance at the beginning of the year	2,424.29	2,502.26
Add: Profit / (loss) for the year	108.47	(68.25)
Re-measurement gain/(loss) on Defined Benefit Obligations (net of tax impact) (refer note 43)	(3.23)	(9.72)
Less: Cash dividend*	(67.44)	-
Less: Dividend distribution tax*	(13.86)	-
Balance at the end of the year	2,448.23	2,424.29
<i>*Distribution made and proposed</i>		
i). Cash dividends on equity shares proposed and paid		
Final dividend for year ended on 31st March 2020: Rs.0.24 per share (31st March 2019: Rs.Nil per share)	67.44	-
Dividend distribution tax	13.86	-
Total cash dividend including dividend distribution tax	81.30	-
ii). Proposed dividend on equity shares		
Final dividend for the year ended on 31st March 2020: Rs.Nil per share (31st March 2019: Rs.0.24 per share)	-	67.44
Dividend distribution tax	-	13.86
Total proposed dividend including dividend distribution tax	-	81.30

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as on March 31.

**Notes to Standalone Financial Statements
for the year ended March 31, 2020**

	March 31, 2020	March 31, 2019
(d) FVTOCI reserve		
Balance at the beginning of the year	5.33	5.56
Add: Other comprehensive income for the year	<u>(0.52)</u>	<u>(0.23)</u>
Balance at the end of the year	<u>4.81</u>	<u>5.33</u>
Total other equity	<u>3,493.30</u>	<u>3,469.88</u>
20 Borrowings (non-current)		
Term loans		
Indian Rupee loans from banks (Secured) (a)	324.43	424.21
Long term maturities of finance lease obligation		
Obligations under hire purchase contracts (Secured) (b)	63.51	63.40
Unsecured loans from others		
Unsecured deposits from members - related parties (Refer note 48)	20.00	100.18
Unsecured deposits from members - others	82.30	122.45
Unsecured inter corporate deposits	250.00	-
Total	<u>740.24</u>	<u>710.24</u>
Current maturities of non-current borrowings		
Indian Rupee term loans from banks (Secured) (b)	72.28	137.65
Obligations under hire purchase contracts (Secured) (b)	<u>33.30</u>	<u>42.89</u>
	105.58	180.54
Less: Amount disclosed under the head "other financial liabilities" (c)	(105.58)	(180.54)
Total non-current borrowings ((a) - (c))	<u>634.66</u>	<u>529.70</u>
(i) The Rupee term loans from Bank of India 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 11.00% (previous year - 10.60%)		
(ii) Hire purchase loans are secured by hypothecation of vehicles acquired out of the loan and taken at an interest rate of 9.50% to 10.50%.		
(iii) Deposits from members are accepted at an interest rate of 9.75% to 10.75%		
(iv) Inter corporate deposits are accepted at an interest rate of 11.00% to 13.00%		
(v) Loans and advances from related parties are at an interest rate of 12.00%		

21 Finance lease liabilities (non current)

	March 31, 2020	March 31, 2019
Long term maturities of finance lease obligation		
Lease liabilities (Refer Note 49)	<u>346.96</u>	<u>-</u>
Total	<u>346.96</u>	<u>-</u>
22 Other financial liabilities (non current)		
Interest accrued but not due on deposits from others	0.85	2.03
Financial guarantee contracts (Refer Note 50 c)	<u>2.58</u>	<u>-</u>
Total	<u>3.43</u>	<u>2.03</u>



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Standalone Financial Statements for the year ended March 31, 2020

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

	March 31, 2020	March 31, 2019
23 Provisions (non-current)		
Provision for compensated absences (refer note 46)	77.03	76.65
Total	77.03	76.65
24 Deferred tax liability (Net)		
Deferred tax liability relating to		
On difference between book balance and tax balance of Property, plant & equipment	277.54	328.08
Deferred tax impact on fair valuation of Investments	2.52	2.69
(A)	280.06	330.77
Deferred tax asset relating to		
Provision for compensated absences & bonus	37.13	28.19
Provision for impairment allowance on debtors	226.82	119.76
(B)	263.95	147.95
Deferred tax liability (Net)	16.11	182.82

For the year ended March 31, 2020	Opening Balance	Recognised in profit & loss	Recognised in OCI	Closing balance
Property, plant and equipment	328.08	(50.54)	-	277.54
Provision for compensated absences	(28.19)	(8.94)	-	(37.13)
Provision for impairment allowance on doubtful assets	(119.76)	(107.06)	-	(226.82)
FVTOCI reserve	2.69	-	(0.17)	2.52
	182.82	(166.54)	(0.17)	16.11

For the year ended March 31, 2019	Opening Balance	Recognised in profit & loss	Recognised in OCI	Closing balance
Property, plant and equipment	324.57	3.51	-	328.08
Provision for compensated absences	(25.94)	(2.25)	-	(28.19)
Provision for impairment allowance on doubtful assets	(117.45)	(2.31)	-	(119.76)
FVTOCI reserve	2.78	-	(0.09)	2.69
	183.96	(1.05)	(0.09)	182.82

25 Borrowings (Current)

	March 31, 2020	March 31, 2019
Cash credit from banks (secured)	1,346.68	1,853.35
Unsecured inter corporate deposits	272.00	542.00
Unsecured loans and advances from related parties (Refer note 48)	390.75	377.83
Unsecured deposits from members - related parties (Refer note 48)	85.18	5.00
Unsecured deposits from members - others	108.16	112.84
Total	2,202.77	2,891.02

(i) The interest rate on the cash credit ranges between 10.80% to 13.45%. Refer note 3(a) for details of security. (ii) Refer note (iii) under non-current borrowings for details of security and terms of repayment.

**Notes to Standalone Financial Statements
for the year ended March 31, 2020**

26 Trade payables

	March 31, 2020	March 31, 2019
Outstanding dues to micro, small and medium enterprises	-	-
Outstanding dues to creditors other than micro, small and medium enterprises	<u>2,713.42</u>	<u>2,728.88</u>
	<u>2,713.42</u>	<u>2,728.88</u>

Based on the information available with the Company, there are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2020 (March 31, 2019: Nil). Further, the Company has not paid any interest to any Micro and Small Enterprises during the current and previous year.

Term and conditions of the above financial liabilities:

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

27 Finance Lease liabilities (current)

Current maturities of finance lease obligation

Lease liabilities (Refer Note 49)	<u>129.36</u>	<u>-</u>
Total	<u>129.36</u>	<u>-</u>

28 Other financial liabilities (current)

Current Maturities of long term debt (refer note (ii) below)	72.28	137.65
Current maturities of hire purchase loans (refer note (iii) below)	33.30	42.89
Unclaimed dividend	18.56	17.43
Interest accrued but not due on deposits from members		
- From related parties	0.20	0.22
- From others	2.95	6.94
Interest accrued but not due on promoters loan	-	2.75
Financial guarantee contracts (Refer Note 50 c)	2.94	-
Payable to employees	<u>5.21</u>	<u>49.22</u>
Total	<u>135.44</u>	<u>257.10</u>

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

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

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

29 Other current liabilities

Statutory liabilities	105.58	153.55
Advances received from customers	245.45	308.80
Advance for sale of land	145.70	145.70
Deferred revenue	<u>34.58</u>	<u>-</u>
Total	<u>531.31</u>	<u>608.05</u>

30 Provisions (current)

Provision for compensated absences (refer note 46)	24.21	20.17
Provision for differential sales tax	<u>13.52</u>	<u>38.02</u>
Total	<u>37.73</u>	<u>58.19</u>

31 Current tax liabilities

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

Breakup of financial liabilities

At amortised cost

Non-current borrowings	634.66	529.70
Current borrowings	2,202.77	2,891.02
Trade Payables	2,713.42	2,728.88
Other non-current and current financial liabilities	<u>138.87</u>	<u>259.13</u>
Total financial liabilities carried at amortised cost	<u>5,689.72</u>	<u>6,408.73</u>



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Standalone Financial Statements for the year ended March 31, 2020

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

32 Revenue from contracts with customers

	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Sale of Products		
Finished goods	11,046.38	12,917.62
Traded goods	1,201.46	2,133.64
Sale of services	1,606.06	1,870.53
Other operating revenue		
Scrap sales	41.56	40.40
Total revenue from operations	<u>13,895.46</u>	<u>16,962.19</u>
Disaggregated revenue information		
Reconciliation of the revenue from contract with customers with the amounts disclosed in the segment information (Note 47)		
Insulation	12,694.00	14,828.36
Trading	1,201.46	2,133.83
Total revenue from contracts with customers	<u>13,895.46</u>	<u>16,962.19</u>
Timing of revenue recognition		
Revenue recognised at a point in time	12,289.40	15,091.66
Revenue recognised over a point in time	1,606.06	1,870.53
	<u>13,895.46</u>	<u>16,962.19</u>
Contract balances		
Trade receivables	3,892.90	4,536.74
Contract assets	262.44	203.13
Contract liabilities	245.45	308.80

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

Contract assets are recognised over time based on the progress of completion of the service as per the terms of the contract, as the customer simultaneously receives and consumes the benefits provided by the company. Upon completion and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

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

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

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

33 Other income

Rental income from operating leases	43.36	47.96
Income from Saideep - technical services	8.00	72.00
Dividend Income	0.02	0.02
Net gain on sale of property, plant and equipment	7.52	0.95
Foreign Exchange Fluctuation (net)	5.22	-
Liabilities no longer required written back	12.85	-
Other non-operating income	0.19	17.37
Total	<u>77.16</u>	<u>138.30</u>

34 Finance income

Interest Income on		
- Bank Deposits	16.64	17.35
- Income tax refund	18.25	-
- Others	1.64	1.55
Guarantee income	1.29	-
Total	<u>37.82</u>	<u>18.90</u>

**Notes to Standalone Financial Statements
for the year ended March 31, 2020**

	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
35 Cost of raw materials consumed		
Opening stock	424.01	411.27
Add: Purchases	7,723.89	10,278.54
	8,147.90	10,689.81
Less : Closing stock	472.49	424.01
Total cost of raw materials consumed	7,675.41	10,265.80
36 Purchase of traded goods		
Stock-in-trade - Motors	966.36	1,347.27
Stock-in-trade - Others	260.26	563.19
Total	1,226.62	1,910.46
37 Changes in inventories of finished goods, work-in-progress and traded goods		
Opening stock		
Finished goods	192.65	226.48
Work-in-Progress	55.16	31.46
Stock-in-trade	234.57	214.39
	482.38	472.33
Closing stock		
Finished goods	242.92	192.65
Work-in-Progress	91.49	55.16
Stock-in-trade	218.62	234.57
	553.03	482.38
Decrease/ (increase) in inventories of finished goods, work-in-progress and traded goods	(70.65)	(10.05)
38 Employee benefits expense		
Salaries, allowances and wages	1,252.64	1,336.98
Contribution to provident fund and other funds	159.00	156.65
Gratuity expense (Refer Note 46)	28.19	23.12
Staff welfare expenses	111.34	142.97
Total	1,551.17	1,659.72
39 Finance Costs		
Interest expense on		
Term loans and working capital loans	240.56	256.48
On deposits from members and other deposits	136.00	114.26
On hire purchase contracts	7.80	8.66
Delayed payment of Income Tax	28.67	20.15
Lease liabilities	36.70	-
Other Borrowing Costs #	56.59	77.60
Total	506.32	477.15
# Other borrowing cost includes loan processing charges, guarantee charges, loan facilitation charges and other ancillary costs incurred in connection with borrowings.		
40 Depreciation and amortization expense		
Depreciation of property, plant and equipment	326.00	329.39
Amortization of intangible assets	22.54	0.88
Amortization of ROU asset	148.69	-
Total	497.23	330.27



BEARDELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Standalone Financial Statements for the year ended March 31, 2020

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

41 Other expenses

	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Consumption of stores and spares	118.02	126.88
Service Charges	478.43	464.32
Power and Fuel	573.98	610.60
Repairs & maintenance		
Plant and machinery	18.24	24.28
Buildings	14.15	15.24
Furniture and Equipment	10.73	10.92
Rent	6.86	178.37
Rates and taxes	46.75	27.46
Advertising and sales promotion	11.16	63.11
Vehicle maintenance	38.31	47.81
Insurance	79.34	82.31
Printing and stationery	1.56	21.51
Consultancy and other professional charges	81.79	142.25
Travelling and conveyance	103.99	132.99
Communication expenses	27.91	37.07
Allowance for credit loss	474.12	7.93
Bad debts written off	7.45	69.93
Freight and forwarding charges	187.53	201.21
Share of loss from partnership firm	150.31	104.28
Donations	4.59	27.50
Sitting fees paid to Directors	8.55	6.90
Bank charges	15.76	35.08
Net loss on foreign currency transactions and translation	-	20.58
Miscellaneous Expenses	80.75	74.32
Total	<u>2,540.28</u>	<u>2,532.85</u>

Payment to auditor (included under consultancy and other professional charges)

As auditor

- Audit fee	12.00	12.00
- Limited review	9.00	9.00
- Tax audit fee	1.00	1.00

In other capacity

- Other services (includes certification)	0.50	1.50
- Reimbursement of expenses	0.46	0.81

Total

<u>22.96</u>	<u>24.31</u>
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Details of CSR expenditure

a) Gross amount required to be spent by the company during the year	7.37	11.10
b) Amount spent during the year ending on March 31, 2020 :	In cash	Yet to be paid in cash
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	4.59	2.78
	<u>4.59</u>	<u>2.78</u>
c) Amount spent during the year ending on March 31, 2019 :	In cash	Yet to be paid in cash
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	22.30	-
	<u>22.30</u>	<u>-</u>

42 Exceptional items

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

**Notes to Standalone Financial Statements
for the year ended March 31, 2020**

43 Other Comprehensive Income (OCI)

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

	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
FVTOCI reserve		
Gain/(loss) on FVTOCI financial assets	(0.69)	(0.32)
Deferred tax effect on the gain/(loss) on FVTOCI financial assets	0.17	0.09
Re-measurement gains / (losses) on defined benefit plans	(4.32)	(13.46)
Deferred tax effect on remeasurement costs on net defined benefit liability	1.09	3.74
Total	<u>(3.75)</u>	<u>(9.95)</u>

44 Earnings per share (EPS)

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

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

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

	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Profit / (loss) available for equity shareholders	108.47	(68.25)
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.)	0.39	(0.24)
- Diluted (Rs.)	0.39	(0.24)

45 Income taxes

The major components of income tax expenses for the year ended March 31, 2020 and March 31, 2019 are:

	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
(i) Profit or loss section		
Current tax	200.00	22.58
Deferred tax credit	(155.06)	(1.14)
Total income tax expense recognised in statement of Profit & Loss	<u>44.94</u>	<u>21.44</u>
(ii) OCI Section		
Net loss on FVTOCI financial assets	(0.17)	(0.09)
Net loss on remeasurement of defined benefit plans	(1.09)	(3.74)
Income tax charged to OCI	<u>(1.26)</u>	<u>(3.83)</u>



BEARDELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Standalone Financial Statements for the year ended March 31, 2020

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

Reconciliation of tax expense and the accounting profit multiplied by Corporate Income tax rate applicable for March 31, 2020 and March 31, 2019:

Particulars	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Accounting Profit Before Tax (A)	153.41	(46.81)
Enacted tax rate in India (B)	25.17%	26.00%
Profit before income tax multiplied by standard rate of Corporate tax in India (C = A*B)	38.61	(12.17)
Adjustments		
50% of donation	0.58	4.00
Loss / (profit) from partnership firm	37.83	30.37
Impact of change in income tax rate*	(24.75)	-
Impact on account of special rates on Indexed amount	(12.52)	-
Others	5.19	(0.76)
Total (D)	6.33	33.61
Expected tax expenses after adjustments (C+D)	44.94	21.44
Total Tax expense	44.94	21.44

*The Company elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company has recognized provision for income tax for the current year and re-measured its deferred tax liabilities (net) basis the rate prescribed in the said section. The full impact of this change has been recognized in the statement of profit and loss.

46 Employee benefits

A. Defined contribution plans

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.86.39 Lakhs (March 31, 2019: Rs.83.99 Lakhs) for Provident Fund contributions, Rs.69.29 Lakhs (March 31, 2019: Rs.65.52 Lakhs) for Superannuation Fund contributions and Rs.3.32 Lakhs (March 31, 2019: Rs.7.14 Lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

B. Defined benefit plans

Gratuity

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

The components of gratuity cost recognised in the statement of profit and loss for the years ended March 31, 2020 and March 31, 2019 consist of the following

Particulars	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Current service cost	31.41	27.02
Interest cost (net)	(3.22)	(3.90)
Gratuity cost recognised in statement of profit and loss	28.19	23.12
Actuarial (gains) / losses due to demographic changes in DBO	2.04	-
Return on plan assets (greater)/less than discount rate	-	2.80
Actuarial (gains) / losses due to changes in financial assumptions	(21.96)	11.64
Experience adjustments	24.24	(0.98)
Components of defined benefit costs recognised in other comprehensive income	4.32	13.46

**Notes to Standalone Financial Statements
for the year ended March 31, 2020**

Particulars	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Details of the employee benefits obligations and plan assets are provided below:		
Defined benefit obligation	425.71	377.49
Fair value of plan assets	(458.92)	(414.57)
Net defined benefit (asset) / liability recognised	(33.21)	(37.08)
Details of changes in the present value of defined benefit obligations are as follows:		
Opening defined benefit obligation	377.49	344.23
Current service cost	31.41	27.02
Interest cost	25.63	25.58
Remeasurement gains/(losses) on obligation	4.32	10.66
Benefits paid	(13.14)	(30.00)
Defined benefit obligations at the end of the year	425.71	377.49
Details of changes in the fair value of plan assets are as follows:		
Fair value of plan assets at the beginning of the year	414.57	370.99
Expected return on plan assets	28.85	29.48
Employer contributions	28.64	46.90
Benefits paid	(13.14)	(30.00)
Remeasurement gains/(losses) on plan assets	-	(2.80)
Plan assets at the end of the year	458.92	414.57

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

Particulars	March 31, 2020	March 31, 2019
Discount rate	6.83 %	7.77 %
Rate of return of plan assets	6.83 %	7.77 %
Attrition rate	6.00 %	1.00 %
Rate of compensation increase	6.00 %	6.00 %

Sensitivity Analysis: Impact on defined benefit obligation

(a) Effect of 1% change in assumed discount rate		
- 1% increase	(23.75)	(22.82)
- 1% decrease	27.56	26.33
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	27.56	25.54
- 1% decrease	(24.35)	(22.85)
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	0.08	2.08
- 1% decrease	(0.46)	(2.32)

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

Expected future benefit payments		
Within next year	65.13	40.94
Between 2 and 5 years	121.11	138.45
Between 6 and 10 years	126.57	135.35



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Standalone Financial Statements for the year ended March 31, 2020

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

47 Segment information

Primary segment

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

For the year ended March 31, 2020

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

For the year ended March 31, 2019

Particulars	Insulation	Trading	Total
Revenue	14,828.36	2,133.83	16,962.19
Segment result	935.48	138.14	1,073.62
Less: Finance costs			(477.15)
Less: Unallocable corporate expenses (net of income)			(643.28)
Add: Exceptional items			-
Profit before taxes			(46.81)
Less: Tax expenses			(21.44)
Net loss for the year			(68.25)
As at year ended March 31, 2019			
Segment assets	9,734.14	558.89	10,293.03
Unallocable corporate assets			1,073.27
Total Assets			11,366.30
Segment liabilities	3,177.14	372.39	3,549.53
Unallocable corporate liabilities			3,784.91
Total liabilities			7,334.44

**Notes to Standalone Financial Statements
for the year ended March 31, 2020**

Capital expenditure

Particulars	March 31, 2020	March 31, 2019
Insulation	248.77	195.74
Trading	-	-
Unallocable	93.55	11.38
Total	342.32	207.12

Depreciation / amortisation

Particulars	March 31, 2020	March 31, 2019
Insulation	293.40	296.45
Trading	32.60	32.94
Unallocable	171.23	0.88
Total	497.23	330.27

Revenue from External Customers

Particulars	March 31, 2020	March 31, 2019
India	13,741.22	16,241.99
Outside India	154.24	720.20

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

Non current assets

Particulars	March 31, 2020	March 31, 2019
India	3,806.61	3,588.03
Outside India	-	-

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

48 a. Related Party Transactions

Enterprises that are controlled by the Company	M/s Saideep Polytherm (Partnership Firm)- Controlled Entity M/s Sarovar Insulation Private Limited - wholly owned subsidiary
Key Management Personnel (KMP) and their relatives	Mr. Bharat Anumolu - Managing Director (till May 19, 2019) Mr. Amrith Anumolu - Executive Director Mrs. Jayasree Anumolu - Director / Relative of KMP Mrs. Lalithamaba Panda - Relative of KMP Mrs. Vijayalakshmi Ravindranath - Independent Director (till November 29, 2018) Mr. R Gowrishanker - Independent Director (till September 16, 2019) Mr. V J Singh - Independent Director (till September 30, 2019) Mr. Gurram Jagannathan Reddy - Independent Director (from June 28, 2019) Mr. A V Ram Mohan - Independent Director (from October 21, 2019) Mr. V V Sridharan - Chief Financial Officer Mr. K Murali - Company Secretary (till May 31, 2020) Ms. T Anantha Jothi - Company Secretary (from June 01, 2020) Mrs. S N Radha - Relative of KMP
Enterprises over which parties above or their relatives have control / significant influence ('Affiliates')	M/s Gunnam Subba Rao Insulation Private Limited M/s Korean Painting and Plating Pvt Ltd (Formerly "Panda Solar Energy Pvt Ltd") M/s Villasini Real Estate Private Limited

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2020 and March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (Refer Note 12).



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Standalone Financial Statements for the year ended March 31, 2020

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

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

Particulars	Controlled entity	Wholly owned subsidiary	Affiliates	Key Managerial Personnel & their relatives
Transactions during the period				
Sale of products	73.12	2.93	-	-
Purchase of materials	228.37	705.36	-	-
Technical service income	8.00	-	-	-
Lease rent income	-	12.00	4.80	-
Sale of asset leased back	-	192.01	-	-
Net gain on sale of asset leased back	-	2.31	-	-
Financial guarantee income	-	1.29	-	-
Lease rent expense	-	1.75	48.00	-
Interest expense on lease liabilities	-	0.01	-	-
Share of loss	150.31	-	-	-
Managerial remuneration paid				
Mr. Bharat Anumolu	-	-	-	9.11
Mr. Amrith Anumolu	-	-	-	37.29
Mr. V V Sridharan	-	-	-	24.91
Mr. K Murali	-	-	-	14.17
Sitting fees & conveyance charges paid to Directors				
Mr. Bharat Anumolu	-	-	-	0.20
Mr. Amrith Anumolu	-	-	-	2.00
Mrs. Jayasree Anumolu	-	-	-	1.60
Mr. Gowrishanker	-	-	-	2.40
Mr. V J Singh	-	-	-	2.20
Mr. Gurram Jagannathan Reddy	-	-	-	1.80
Mr. A V Ram Mohan	-	-	-	1.20
Public deposits received				
Mrs. S N Radha	-	-	-	5.00
Unsecured loan received				
Mrs. Jayasree Anumolu	-	-	-	100.00
Unsecured Loan repaid				
Mr. Bharat Anumolu	-	-	-	7.08
Mr. Gowrishanker	-	-	-	80.00
Finance cost during the year on loans				
Mr. Bharat Anumolu	-	-	-	8.81
Mr. V J Singh	-	-	-	0.84
Mr. Amrith Anumolu	-	-	-	1.93
Mr. Gowrishanker	-	-	-	23.85
Mrs. Jayasree Anumolu	-	-	-	9.02
Balance outstanding as at the year end				
Trade receivable	932.18	-	-	-
Advances for supply and services	-	760.97	-	-
Other advances	-	-	2.61	-
Lease liabilities	-	80.63	-	-
Other financial liabilities - financial guarantee contracts	-	5.52	-	-
Unsecured loan from Mr. Bharat Anumolu	-	-	-	72.75
Unsecured loan from Mr. V J Singh	-	-	-	7.00
Unsecured loan from Mrs. Jayasree Anumolu	-	-	-	125.00
Unsecured loan from Mr. Amrith Anumolu	-	-	-	16.00
Unsecured loan from Mr. Gowrishanker	-	-	-	170.00
Public deposits from Mrs. Lalithamba Panda	-	-	-	100.18
Public deposits from Mrs. S N Radha	-	-	-	5.00
Interest accrued on Fixed Deposit - Mrs. S N Radha	-	-	-	0.20

**Notes to Standalone Financial Statements
for the year ended March 31, 2020**

c. Related party transactions for the year ended March 31, 2019

Particulars	Controlled entity	Wholly owned subsidiary	Affiliates	Key Managerial Personnel & their relatives
Transactions during the period				
Sale of products	182.21	-	-	-
Purchase of materials	424.81	1,005.80	-	-
Technical service income	72.00	-	-	-
Lease rent income	7.50	12.00	3.10	-
Lease rent expense	-	-	48.00	-
Share of loss	104.28	-	-	-
Managerial remuneration paid				
Mr. Bharat Anumolu	-	-	-	76.12
Mr. Amrith Anumolu	-	-	-	46.66
Mr. V V Sridharan	-	-	-	21.93
Mr. K Murali	-	-	-	14.30
Sitting fees & conveyance charges paid to Directors				
Mr. Bharat Anumolu	-	-	-	2.00
Mr. Amrith Anumolu	-	-	-	1.20
Mrs. Jayasree Anumolu	-	-	-	1.20
Mr. Gowrishanker	-	-	-	1.60
Mr.V J Singh	-	-	-	2.20
Mrs. Vijayalakshmi Ravindranath	-	-	-	1.00
Public deposits received				
Mrs Lalithamba Panda	-	-	-	20.00
Intercorporate loan received				
Villasini Real Estate Private Limited	-	-	20.00	-
Intercorporate loan repaid				
Villasini Real Estate Private Limited	-	-	20.00	-
Unsecured loan received				
Mr. Bharat Anumolu	-	-	-	100.00
Mrs. Jayasree Anumolu	-	-	-	25.00
Mr. Amrith Anumolu	-	-	-	16.00
Mr. Gowrishanker	-	-	-	400.00
Unsecured Loan repaid				
Mr. Bharat Anumolu	-	-	-	116.67
Mrs. Jayasree Anumolu	-	-	-	21.82
Mr. Gowrishanker	-	-	-	150.00
Finance cost during the year on loans				
Mr. Bharat Anumolu	-	-	-	4.56
Mr.V J Singh	-	-	-	0.84
Mr. Amrith Anumolu	-	-	-	0.84
Mr. Gowrishanker	-	-	-	9.60
Mrs. Jayasree Anumolu	-	-	-	1.57
M/s Villasini Real Estate Private Limited	-	-	0.21	-



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Standalone Financial Statements for the year ended March 31, 2020

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

Balance outstanding as at the year end

Trade receivable	1,101.26	-	-	-
Advances for supply and services	-	651.47	-	-
Other advances	-	-	33.44	-
Unsecured loan from Mr. Bharat Anumolu	-	-	-	79.83
Unsecured loan from Mr. V J Singh	-	-	-	7.00
Unsecured loan from Mrs. Jayasree Anumolu	-	-	-	25.00
Unsecured loan from Mr. Amrith Anumolu	-	-	-	16.00
Unsecured loan from Mr. Gowrishanker	-	-	-	250.00
Public deposits from Mrs. Lalithamba Panda	-	-	-	100.18
Public deposits from Mrs. S N Radha	-	-	-	5.00
Interest accrued on Fixed Deposit - Mrs. S N Radha	-	-	-	0.22

49 Leases

Company as a lessee

The Company has lease contracts for rent of building and plant & machinery used in its operations. Leases of building used for office purpose have lease terms between 1 and 9 years, and plant & machinery generally have lease terms for 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and sub-leasing the leased assets.

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

Particulars	Building	Plant & machinery	Total
As at April 01, 2019	526.82	-	526.82
Additions	-	80.63	80.63
Depreciation expense	(148.58)	(0.11)	(148.69)
As at March 31, 2020	378.24	80.52	458.76

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

	As at March 31, 2020	As at March 31, 2019
As at April 01	526.82	-
Additions	82.36	-
Accretion of interest	36.70	-
Payments	(169.56)	-
As at March 31	476.32	-
Current	129.36	-
Non-current	346.96	-

The maturity analysis of lease liabilities are disclosed in Note 52.

The effective interest rate for lease liabilities is 8%, with maturity between 2021-2025.

The following are the amounts recognised in profit or loss:

	As at March 31, 2020	As at March 31, 2019
Depreciation expense of right-of-use assets	148.69	-
Interest expense on lease liabilities	36.70	-
Total amount recognised in profit or loss	185.39	-

The Company had total cash outflows for leases of INR 169.56 lakhs in March 31, 2020 (INR Nil in March 31, 2019).

**Notes to Standalone Financial Statements
for the year ended March 31, 2020**

50 Commitments and contingent liabilities

a. Commitments

The estimated amount of contracts, net of advances remaining to be executed on capital account and not provided is Rs.20.03 lakhs (March 31, 2019 : Rs.49.76 lakhs).

b. Contingent liabilities

	March 31, 2020	March 31, 2019
(a) Claims against the Company not acknowledged as debts	22.77	22.77
(b) Sales tax demands against which the Company has filed appeals	583.10	744.25
	605.87	767.02

Particular	March 31, 2020	March 31, 2019	Period to which the amount relates	Forum where dispute is pending
Under Sales Tax Acts of various states				
Amount under dispute	1.79	1.79	1995-96 2000-01 2001-02 2003-04	Deputy Commissioner, Assistant Commissioner & other appellate authorities
Amount paid	0.74	0.74		
Net Amount	1.05	1.05		
Under Central Sales Tax Act, 1956				
Amount under dispute	581.31	742.46	1995-96, 2003-04 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17	High Court, Deputy Commissioner & CTO of various states
Amount paid	56.15	56.15		
Net Amount	525.16	686.31		

c. Financial guarantees

Guarantee on the bank overdraft & term loan availed from DBS Bank by the wholly owned subsidiary to a maximum amount of INR 200 lakhs (31 March 2019: INR Nil), (carrying amounts of the related financial guarantee contracts were INR 5.52 lakhs and INR Nil lakhs at 31 March 2020 and 31 March 2019, respectively).

d. Provident fund

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

51 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the Company's accounting policies, management has not made any judgement, which has significant effect on the amounts recognised in the financial statements.



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Standalone Financial Statements for the year ended March 31, 2020

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

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

(ii) Defined benefit plans

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

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

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

(iv) Allowance for expected credit loss (ECL provision)

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

Trade receivables comprise a large number of customers. The Company has credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined. Net Trade receivables as on March 31, 2020 is Rs. 3,892.90 lakhs (March 31, 2019 - 4,536.74 lakhs). The Company believes the concentration of risk with respect to trade receivables is low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

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

(v) Leases - estimating the incremental borrowing rate

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

52 Financial risk management objectives and policies

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

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

Market Risk

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

Interest rate risk

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

Interest rate sensitivity

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

Particulars	March 31, 2020		March 31, 2019	
Increase / decrease in interest rate	+1%	-1%	+1%	-1%
Impact on profit before tax	16.71	(16.71)	22.78	(22.78)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The Company has not hedged any portion of its expected foreign currency sales as at March 31, 2020 and March 31, 2019.

Foreign currency sensitivity

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

Particulars	Currency	March 31, 2020	March 31, 2019
Trade receivables	USD	49,440.05	31,345.00

Particulars	Forex Currency	Change in forex rate(%)	Effect on profit before tax (in Rs.)	Effect on pre-tax equity (in Rs.)
March 31, 2020	USD	5% Increase	(186,354)	(186,354)
		5% Decrease	186,354	186,354
March 31, 2019	USD	5% Increase	(108,407)	(108,407)
		5% Decrease	108,407	108,407

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



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Standalone Financial Statements for the year ended March 31, 2020

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

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk is equal to the carrying amount of financial assets as of March 31, 2020 and March 31, 2019 respectively.

Liquidity Risk

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

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

	Within 1 year	1 to 5 years	After 5 years	Total
Year ended March 31, 2020				
Borrowings	2,202.77	634.66	-	2,837.43
Other financial liabilities	135.44	3.43	-	138.87
Trade payables	<u>2,713.42</u>	<u>-</u>	<u>-</u>	<u>2,713.42</u>
	<u>5,051.63</u>	<u>638.09</u>	<u>-</u>	<u>5,689.72</u>
Year ended March 31, 2019				
Borrowings	2891.02	529.70	-	3,420.72
Other financial liabilities	257.10	2.03	-	259.13
Trade payables	<u>2,728.88</u>	<u>-</u>	<u>-</u>	<u>2,728.88</u>
	<u>5,877.00</u>	<u>531.73</u>	<u>-</u>	<u>6,408.73</u>

53 Fair value measurements

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

Particulars	Carrying Value		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial assets				
Investments in subsidiaries	27.93	21.12	27.93	21.12
Investments in controlled entity	112.15	112.15	112.15	112.15
Other investments	42.21	42.21	50.09	50.78
Trade receivables	3,892.90	4,536.74	3,892.90	4,536.74
Cash and cash equivalents	62.51	292.30	62.51	292.30
Bank balances other than cash and cash equivalents	252.17	299.68	252.17	299.68
Loans	26.98	45.30	26.98	45.30
Other financial assets	247.02	168.51	247.02	168.51
Total	4,663.87	5,518.01	4,671.75	5,526.58
Financial liabilities				
Borrowings	2,837.43	3,420.72	2,837.43	3,420.72
Trade payables	2,713.42	2,728.88	2,713.42	2,728.88
Other financial liabilities	138.87	259.13	138.87	259.13
Total	5,689.72	6,408.73	5,689.72	6,408.73

**Notes to Standalone Financial Statements
for the year ended March 31, 2020**

54 Fair value hierarchy

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

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

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

Particulars	As at March 31, 2020			
	Carrying amount	Fair Value		
		Level 1	Level 2	Level 3
Asset measured at fair value: FVTOCI Equity Investments				
Other investments	0.34	0.34	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

Particulars	As at March 31, 2019			
	Carrying amount	Fair Value		
		Level 1	Level 2	Level 3
Asset measured at fair value: FVTOCI Equity Investments				
Other investments	1.03	1.03	-	-

Notes:

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

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

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

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

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

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

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

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



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Standalone Financial Statements for the year ended March 31, 2020

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

55 Capital management

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

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

	March 31, 2020	March 31, 2019
Borrowings	2,943.01	3,601.26
Less: cash and short-term deposits	<u>(134.57)</u>	<u>(363.23)</u>
Net debt	<u>2,808.44</u>	<u>3,238.03</u>
Equity	561.98	561.98
Other equity	<u>3,493.30</u>	<u>3,469.88</u>
Total equity	<u>4,055.28</u>	<u>4,031.86</u>
Gearing ratio	41 %	45 %

In order to achieve this overall objective, the entity's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current and previous periods. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

56 Events after the reporting period

In the meeting held on May 27, 2020, the Board of Directors have approved a proposal to raise funds upto an aggregate value not exceeding Rs.890 lakhs, by way of issue of equity shares of the Company to its eligible shareholders on a right basis ('Rights issue') in a ratio of one share for every three shares held.

57 Prior year comparatives

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

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Aravind K

Partner

Membership no.: 221268

Place : Chennai

For and on behalf of the Board of Directors

Beardsell Limited

Amrith Anumolu

Executive Director

DIN : 03044661

Place : Hyderabad

V.J. Singh

Director

DIN : 03129164

Place : Tirunelveli

V.V. Sridharan

Chief Financial Officer

Place : Chennai

T. Anantha Jothi

Company Secretary

Place : Madurai

Date : June 29, 2020

Date : June 29, 2020

Date : June 29, 2020



BEARSELL LIMITED

**CONSOLIDATED
FINANCIAL
STATEMENTS**



Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of Beardsell Limited (hereinafter referred to as “the Holding Company”), its subsidiary and controlled entity (the Holding Company, its subsidiary and controlled entity together referred to as “the Group”) comprising of the Consolidated Balance sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary and controlled entity, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2.2 of the Consolidated Ind AS financial statements which describes the impact of Covid-19 pandemic, and its possible consequential implications, if any, on the Group’s operations and the carrying value of its assets as at March 31, 2020. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

INDEPENDENT AUDITOR'S REPORT
To the Members of
Beardsell Limited

Key audit matters	How our audit addressed the key audit matter
<u>Appropriateness of timing of Revenue recognition</u> (as described in Note 2.4.h of the Consolidated Ind AS financial statements)	
<p>The Holding Company has revenue from sale of products from multiple locations geographically spread across India and it currently has a decentralized accounting system. Revenue is recognized based on the accounting policies disclosed in the note 2.4.h to the Consolidated Ind AS financial statements.</p> <p>As part of our overall response to the risk of fraud, when identifying and assessing the risks of material misstatement due to fraud, we evaluate the revenue transactions that might give rise to potential fraud risks. Bonus payouts for employees are determined based on various metrics including the financial performance of each location. Having regard to the Holding Company's business and pattern of revenue transactions, we have considered that there may be a risk of misstatement of the financial statements related to transactions occurring close to the year end, as such transactions could be recorded in the incorrect financial year.</p> <p>In view of the above discussed matters, appropriateness of timing of revenue recognition has been considered as a key audit matter.</p>	<p>In order to address the risk of misstatement related to timing of revenue recognition, our audit response included:</p> <ul style="list-style-type: none"> • Reading and assessing that the accounting policy of the Group for recognition of revenue is in compliance with Ind AS 115 • Understanding the Holding Company's revenue process across all product segments in each location, to gain an understanding of revenue recognition process including the design and implementation of controls to address the relevant risks in relation to revenue recognition and testing the operating effectiveness of these controls. • Reading a sample of contracts with customers to determine the timing of transfer of control and the timing of revenue recognition in respect of such contracts and performing sample tests of individual sales transactions with purchase orders / contracts issued by customers and sales invoices raised by the Holding Company. • Performing analytical review procedures to identify any unusual trends close to year end to decide the nature and extent of our testing at each location. • Performed location-wise testing for sales made near the reporting date including considerations due to closure of operations on account of COVID-19 to assess whether the revenue was recognized in the appropriate period with reference to shipping records, sales invoices etc., for sample transactions.
<u>Physical verification of Inventories</u> (as described in Note 2.4.g of the Consolidated Ind AS financial statements)	
<p>Inventory pertaining to the Holding Company represents 8.75% of total assets of the Group as at March 31, 2020. Such inventory is held across 6 factories and 9 branches as at the reporting date. Considering the number of locations and the level of inventory held across its factories and branches, as well as the physical verification of inventory at these locations on different dates due to COVID-19 and consequential lockdown restrictions, this is a significant area of audit importance. Accordingly, the above issue has been considered as a key audit matter.</p>	<p>Our audit response consisted of audit procedures including:</p> <ul style="list-style-type: none"> • Understanding the Holding Company's process for establishing the existence of inventories including the design and implementation of monthly controls in relation to physical verification of inventories performed by management at various locations and testing the operating effectiveness of such control • Observing the physical verification of Inventory conducted by management in certain significant locations selected by us. Our procedures in this regard included <ul style="list-style-type: none"> - Inquiring that the stock count instructions were sent by management to appropriate personnel in the relevant location and steps taken by management to ascertain the existence inventory on the date of the count (including identification of non-moving, obsolete / damaged inventory), - Performing independent inventory counts on sample basis and reconciling the same to the management counts, and - On a sample basis testing the reconciliation of the differences in inventory quantity between the physical



Physical verification of Inventories (as described in Note 2.4.g of the Consolidated Ind AS financial statements)

count and the books of accounts, including accounting of such variances basis management approval; and

- Performing roll-forward or roll-backward procedures on sample basis (as applicable) from date of count to the reporting date as the physical verification of inventory was undertaken by management on different dates across various locations during the year in line with the guidance issued by Institute of Chartered Accountants of India (ICAI) on key audit considerations amid COVID-19.
- Performing analytical reviews of purchases and inventory during the audit period to identify any unusual trends for further testing.
- On sample basis performing test of purchase and sales transactions made near the reporting date to assess whether transactions are recorded in the correct period by testing shipping records, sales / purchase invoices (as applicable).

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Consolidated Ind AS financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding



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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of subsidiary, and controlled entity, whose Ind AS financial statements include total assets of Rs 4,174.77 lakhs as at March 31, 2020, and total revenues of Rs 3,188.00 lakhs and net cash outflows of Rs 18.49 lakhs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the Consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and controlled entity, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and controlled entity, is based solely on the report(s) of such other auditors.
- (b) Our opinion above on the Consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary and controlled entity, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which

INDEPENDENT AUDITOR'S REPORT
To the Members of
Beardsell Limited

to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements;

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements of the Holding Company and its subsidiary company, incorporated in India, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of a subsidiary incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company and its subsidiary incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act. The provisions of Section 197 read with Schedule V of the Act are not applicable to the controlled entity incorporated in India for the year ended March 31, 2020;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary and controlled entity, as noted in the 'Other matter' paragraph:
 - i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its Consolidated Ind AS financial statements – Refer Note 50 b to the Consolidated Ind AS financial statements;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company incorporated in India during the year ended March 31, 2020.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Aravind K

Partner

Membership Number: 221268

UDIN: 20221268AAAABC2891

Place of Signature: Chennai

Date: June 29, 2020



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

In conjunction with our audit of the consolidated Ind AS financial statements of Beardsell Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Beardsell Limited (hereinafter referred to as the “Holding Company”) and its subsidiary company incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls

system over financial reporting with reference to these Consolidated Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls

INDEPENDENT AUDITOR'S REPORT
To the Members of
Beardsell Limited

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

Opinion

In our opinion, the Holding Company and its subsidiary company incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal

Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to subsidiary company incorporated in India, and audited by other auditor, is based on the corresponding report of the auditor of such subsidiary company incorporated in India.

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

Chartered Accountants

ICAI Firm Registration Number: **101049W/E300004**

per Aravind K

Partner

Place of Signature: Chennai

Membership Number: 221268

Date: June 29, 2020

UDIN: 20221268AAAABC2891



BEARDELL LIMITED

CIN No : L65991TN1936PLC001428

Consolidated Balance Sheet as at March 31, 2020

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

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non current assets			
Property, plant and equipment	3a	5,207.68	5,287.12
Capital work in progress	3a	124.14	113.78
Goodwill	3c	242.12	242.12
Intangible assets	3b	81.51	10.50
Right-of-use assets	49	378.24	-
Intangible assets under development	3b	-	84.40
Financial assets			
Investments	4	50.85	51.29
Loans	5	7.56	6.57
Trade receivables	6	24.78	34.01
Bank balances other than cash and cash equivalents	7	180.11	228.75
Others	8	106.76	105.40
Non-current tax assets (net)	9	27.64	88.20
Other non-current assets	10	11.33	7.69
		6,442.72	6,259.83
Current assets			
Inventories	11	1,527.41	1,383.68
Financial assets			
Trade receivables	12	3,318.75	3,875.88
Cash and cash equivalents	13	76.26	324.54
Bank Balances other than cash and cash equivalents	14	85.62	83.99
Loans	15	19.42	38.73
Others	16	169.55	87.87
Other current assets	17	879.52	723.99
		6,076.53	6,518.68
		12,519.25	12,778.51
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	561.98	561.98
Other equity	19	3,469.04	3,472.16
Equity attributable to equity holders of the parent		4,031.02	4,034.14
Non controlling interests		-	-
Total equity		4,031.02	4,034.14
Liabilities			
Non current liabilities			
Financial liabilities			
Borrowings	20	876.98	609.60
Lease liabilities	21	286.07	-
Other financial liabilities	22	0.85	2.03
Provisions	23	99.30	100.21
Deferred tax liabilities (net)	24	16.11	182.82
		1,279.31	894.66
Current liabilities			
Financial liabilities			
Borrowings	25	2,676.87	3,191.08
Trade payables	26	-	-
Total outstanding dues of micro, small and medium enterprises		-	-
Total outstanding dues of creditors other than micro, small and medium enterprises		3,361.59	3,554.61
Lease liabilities	27	109.62	-
Other financial liabilities	28	247.21	359.49
Other current liabilities	29	558.41	652.90
Provisions	30	96.91	91.63
Current tax liabilities (net)	31	158.31	-
		7,208.92	7,849.71
		12,519.25	12,778.51

Summary of significant accounting policies

2.4

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

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Aravind K

Partner

Membership no.: 221268

Place : Chennai

For and on behalf of the Board of Directors

Beardsell Limited

Amrith Anumolu

Executive Director

DIN : 03044661

Place : Hyderabad

V.V. Sridharan

Chief Financial Officer

Place : Chennai

Date : June 29, 2020

V.J. Singh

Director

DIN : 03129164

Place : Tirunelveli

T. Anantha Jothi

Company Secretary

Place : Madurai

Date : June 29, 2020

Date : June 29, 2020

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

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

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from contracts with customers	32	16,073.68	19,307.67
Other income	33	58.35	59.82
Finance income	34	39.52	19.70
Total income		<u>16,171.55</u>	<u>19,387.19</u>
Expenses			
Cost of materials consumed	35	8,901.21	11,496.21
Purchase of traded goods	36	1,226.62	1,910.46
Changes in inventories of finished goods, work-in-progress and traded goods	37	(137.78)	2.07
Employee benefits expense	38	1,756.98	1,815.38
Finance costs	39	640.99	595.49
Depreciation and amortisation expense	40	625.16	437.53
Other expenses	41	3,100.85	3,183.71
Total expenses		<u>16,114.03</u>	<u>19,440.85</u>
Profit/(loss) before exceptional items and tax		57.52	(53.66)
Exceptional items	42	69.35	-
Profit/(loss) before tax		126.87	(53.66)
Tax expense	45		
Current tax		200.00	22.58
Deferred tax		(155.06)	(1.14)
Total tax expense		<u>44.94</u>	<u>21.44</u>
Profit/(loss) for the year		<u>81.93</u>	<u>(75.10)</u>
Other comprehensive income (OCI) Items not to be reclassified to profit or loss in subsequent periods	43		
Gains / (loss) on FVTOCI financial assets		(0.69)	(0.32)
Income tax effect		0.17	0.09
Re-measurement gains / (losses) on defined benefit plans		(4.32)	(13.46)
Income tax effect		1.09	3.74
Other comprehensive income for the year, net of tax		<u>(3.75)</u>	<u>(9.95)</u>
Total comprehensive income/(loss) for the year		<u>78.18</u>	<u>(85.05)</u>
Earnings Per Equity Share Rs.2/- each fully paid (March 31, 2019: Rs.2/- each fully paid)	44		
Computed on the basis of total profit/(loss) for the year			
Basic (Rs.)		0.29	(0.24)
Diluted (Rs.)		0.29	(0.24)

Summary of significant accounting policies

2.4

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

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Aravind K

Partner

Membership no.: 221268

Place : Chennai

For and on behalf of the Board of Directors

Beardsell Limited

Amrith Anumolu

Executive Director

DIN : 03044661

Place : Hyderabad

V.V. Sridharan

Chief Financial Officer

Place : Chennai

Date : June 29, 2020

V.J. Singh

Director

DIN : 03129164

Place : Tirunelveli

T. Anantha Jothi

Company Secretary

Place : Madurai

Date : June 29, 2020

Date : June 29, 2020



BEARDELL LIMITED

CIN No : L65991TN1936PLC001428

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

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

a. Equity Share Capital

Equity Shares of Rs.2/- Each (March 31, 2019: Rs.2/- each), subscribed and fully paid up

	Number of shares	Rs. In Lakhs
As at April 01, 2018	28,099,008	561.98
Increase/(decrease) during the year	-	-
At March 31, 2019	28,099,008	561.98
Increase/(decrease) during the year	-	-
At March 31, 2020	28,099,008	561.98

b. Other Equity

Particulars	Reserves and surplus			Items of OCI	Total
	Securities premium (Note 19)	General Reserve (Note 19)	Surplus in Profit and loss (Note 19)	FVTOCI reserve (Note 19)	
As at April 01, 2018	555.65	484.61	2,511.39	5.56	3,557.21
Profit / (loss) for the year	-	-	(75.10)	-	(75.10)
Other Comprehensive Income (Note 43)	-	-	(9.72)	(0.23)	(9.95)
Total Comprehensive Income	555.65	484.61	2,426.57	5.33	3,472.16
Cash dividend (Including dividend distribution tax)	-	-	-	-	-
As at March 31, 2019	555.65	484.61	2,426.57	5.33	3,472.16
Profit / (loss) for the year	-	-	81.93	-	81.93
Other Comprehensive Income (Note 43)	-	-	(3.23)	(0.52)	(3.75)
Total Comprehensive Income	555.65	484.61	2,505.27	4.81	3,550.34
Cash dividend (Including dividend distribution tax)	-	-	(81.30)	-	(81.30)
As at March 31, 2020	555.65	484.61	2,423.97	4.81	3,469.04

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

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Aravind K

Partner

Membership no.: 221268

Place : Chennai

For and on behalf of the Board of Directors

Beardsell Limited

Amrith Anumolu

Executive Director

DIN : 03044661

Place : Hyderabad

V.J. Singh

Director

DIN : 03129164

Place : Tirunelveli

V.V. Sridharan

Chief Financial Officer

Place : Chennai

T. Anantha Jothi

Company Secretary

Place : Madurai

Date : June 29, 2020

Date : June 29, 2020

Date : June 29, 2020

Consolidated Statement of Cash Flows for the year ended March 31, 2020

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash flows from operating activities		
Profit/(loss) before exceptional items and tax	57.52	(53.66)
Adjustments for		
Depreciation and amortisation expense	625.16	437.53
Loss/ (gain) on sale of property, plant and equipment (net)	(5.21)	(0.95)
Dividend income	(0.06)	(0.06)
Finance income	(39.52)	(19.70)
Liabilities no longer required written back	(12.85)	-
Allowance for credit loss	474.12	7.93
Finance costs	640.99	595.49
Net loss / (gain) on foreign exchange fluctuations (unrealised)	(5.22)	20.58
Operating profit before working capital changes	1,734.93	987.16
Movement in working capital		
(Increase) / Decrease in inventories	(143.73)	(50.53)
(Increase) / Decrease in current and non-current trade receivables	97.46	(118.06)
(Increase) / Decrease in financial and non-financial assets	(66.13)	27.33
(Increase) / Decrease in other assets	(155.53)	116.96
(Decrease) / Increase in trade payables	(180.17)	420.03
(Decrease) / Increase in financial, non-financial liabilities and provisions	(82.64)	(30.30)
Cash generated from operations	1,204.19	1,352.59
Income tax paid	8.48	(44.06)
Net cash flows from operating activities (A)	1,212.67	1,308.53
Cash flows (used in) / from investing activities		
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(553.34)	(940.58)
Proceeds from sale of property, plant and equipment	28.80	424.49
Deposits made during the year (net of refunds)	48.14	14.60
Purchase of Investments	-	(3.29)
Dividends received	0.06	0.06
Finance income received	37.29	19.72
Net cash flow (used in) / from investing activities before exceptional items	(439.05)	(485.00)
Cash flow from exceptional items (refer note 42)	205.00	-
Net cash flow (used in) / from investing activities after exceptional items (B)	(234.05)	(485.00)



BEARSELL LIMITED

CIN No : L65991TN1936PLC001428

Consolidated Statement of Cash Flows for the year ended March 31, 2020

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

	March 31, 2020	March 31, 2019
Net cash flows (used in) / from financing activities		
Proceeds from long-term borrowings	562.50	757.95
Repayment of long-term borrowings	(295.12)	(759.80)
Proceeds from short - term borrowings (net)	(634.54)	(76.42)
Dividend paid (including dividend distribution tax)	(82.43)	13.68
Payment of principal portion of lease liabilities	(131.13)	-
Finance cost paid	(646.18)	(592.16)
Net cash flows (used in)/ from financing activities (C)	<u>(1,226.90)</u>	<u>(656.75)</u>
Net decrease in cash and cash equivalents (A+B+C)	(248.28)	166.78
Cash and cash equivalents at the beginning of the year	324.54	157.76
Cash and cash equivalents at the year end	<u>76.26</u>	<u>324.54</u>
Components of cash and cash equivalents		
Cash on hand	9.92	9.64
Cheques / drafts on hand	-	14.08
Balances with banks		
On current accounts	66.34	300.13
In deposits with original maturity of less than three months	-	0.69
Total cash and cash equivalents	<u>76.26</u>	<u>324.54</u>

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

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Aravind K

Partner

Membership no.: 221268

Place : Chennai

For and on behalf of the Board of Directors

Beardsell Limited

Amrith Anumolu

Executive Director

DIN : 03044661

Place : Hyderabad

V.J. Singh

Director

DIN : 03129164

Place : Tirunelveli

V.V. Sridharan

Chief Financial Officer

Place : Chennai

T. Anantha Jothi

Company Secretary

Place : Madurai

Date : June 29, 2020

Date : June 29, 2020

Date : June 29, 2020

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2020

1. Corporate information

The consolidated financial statements comprise consolidated financial statements of Beardsell Limited (the Group) and its subsidiary and controlled entity (collectively, the Group) for the year ended March 31, 2020.

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 and Karad and branches with geographical spread across India. In addition, the Group has trading operations in domestic and international market.

These consolidated financial statements were authorised for issue in accordance with a resolution of the directors on June 29, 2020.

2. Significant accounting policies

2.1. Basis of preparation

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

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

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

2.2. Impact of Covid-19 Pandemic

The outbreak of COVID-19 pandemic and the resulting lockdown enforced from March 23, 2020 has affected the Group's regular operations. Accordingly, the Group has considered the possible effects that may result from the pandemic on the carrying amounts of property, plant and equipment, Goodwill, Investments, Inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group, as at the date of approval of these financial results has used internal and external information which are relevant in determining the expected future performance of the Group. The Group has evaluated its liquidity position, recoverability of such assets and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's consolidated financial results may differ from that estimated as at the date of approval of these financial results.

2.3. Basis of consolidation

The consolidated financial statements comprise the consolidated financial statements of the Company and its subsidiary and controlled entity as at March 31, 2020 as mentioned in Group information. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

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 consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Company uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Company member's consolidated financial statements in preparing the consolidated financial statements to ensure conformity with the Company's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the consolidated financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (ii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.4. Summary of significant accounting policies

a) Current versus non-current classification

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

- i. Expected to be realised or intended to 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

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2020

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

b) Property, plant and equipment

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

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

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

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

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

Capital Work-in-Progress: Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and attributable interest. Once it has 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



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

d) Depreciation and amortisation

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

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

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

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

e) Leases

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

Group as lessee

The Group applies a single recognition and measurement approach for all leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

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

Asset description	Useful Lives (Years)
Plant & Machinery	5
Leasehold land	99
Building	1 - 9

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2020

date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Group as lessor

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

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

Sale and lease back arrangements

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

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

f) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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

Impairment including impairment on inventories, are recognized in the statement of profit and loss. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

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

g) Inventories

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

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

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

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

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

h) Revenue from contracts with customers and Other income

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

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

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

i. Sale of products/ goods

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

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

ii. Service Income

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

Contract balances

Contract assets

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

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (t) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

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

Cost to obtain a contract

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

iii. Interest income

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

iv. Dividend income

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

v. Rental Income

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

i) Foreign currency transactions

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

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

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

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

j) Government Grants

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



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

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

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

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

k) Research and development

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

l) Retirement and other employee benefits

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

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

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

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

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

The Group treats compensated absences expected not to occur within twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

m) Taxes

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

Current income tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences

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

The carrying amount of deferred tax assets is reviewed at each reporting date and written off to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised 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.



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

o) Contingent liabilities

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

p) Segment reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

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

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

q) Borrowing costs

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

r) Fair Value Measurement

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

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability
- iii. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

s) Financial Instruments

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

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.



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

De-recognition

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

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

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

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

Impairment of Financial Assets

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

- i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- ii. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions

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

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

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

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

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

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2020

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

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

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

Financial liabilities

Initial recognition and measurement

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

The Group's financial liabilities include loans and borrowings, trade and other payables.

Subsequent measurement

Financial liabilities at fair value through profit and loss

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the Criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own Credit risks are recognized in OCI. These gains/ loss 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

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

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

f) Use of estimates

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

u) 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.

v) 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.

w) Earnings Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

x) Equity Investment in Subsidiaries and Controlled entities

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

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2020

x) Changes in accounting policies and disclosures

New and amended standards and interpretations

The Group applied Ind AS 116 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2020, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

The Group adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 01, 2019. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application.

• Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from 1 April 2019.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at April 01, 2019:

- Right-of-use assets of INR 526.82 lakhs were recognised and presented separately in the balance sheet.
- Corresponding lease liabilities of INR 526.82 lakhs were recognised.

The lease liabilities as at April 01, 2019 can be reconciled to the operating lease commitments as of March 31, 2019, as follows:

Assets	Amount in INR lakhs
Operating lease commitments as at March 31, 2019	350.54
<i>Adjustments:</i>	
Lease payments relating to renewal periods not included in operating lease commitments as at March 31, 2019	711.36
Discounting effect	(535.28)
Lease liabilities as at April 01, 2019	526.82



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex environment, it assessed whether the Appendix had an impact on its financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions. The Group determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the Financial Statements of the Group.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.



BEARSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

3a Property, plant and equipment

Particulars	Freehold land	Leasehold Land	Buildings on Leasehold Land	Buildings on Freehold Land	Plant and Equipment	Computer	Furniture, Fixtures & Office Equipment	Leasehold improvements	Vehicles	Total Property, Plant and equipment	Capital work-in-progress
Gross block											
As at April 01, 2018	704.12	176.93	335.77	945.11	3,405.17	32.28	47.52	10.01	393.73	6,050.64	202.18
Additions	-	-	143.68	10.61	371.98	6.30	3.73	-	57.12	593.42	67.62
Disposals	-	-	-	-	(16.16)	-	(0.37)	-	(7.67)	(24.20)	-
Capitalisation	-	-	-	-	-	-	-	-	-	-	(156.02)
As at March 31, 2019	704.12	176.93	479.45	955.72	3,760.99	38.58	50.88	10.01	443.18	6,619.86	113.78
Additions	-	-	3.54	45.34	406.08	3.62	17.96	-	57.30	533.84	259.13
Disposals	-	(136.18)	(1.65)	-	(21.77)	-	-	-	(24.70)	(184.30)	-
Capitalisation	-	-	-	-	-	-	-	-	-	-	(248.77)
As at March 31, 2020	704.12	40.75	481.34	1,001.06	4,145.30	42.20	68.84	10.01	475.78	6,969.40	124.14
Depreciation											
As at April 01, 2018	-	8.76	16.66	101.97	618.75	18.79	29.25	1.01	110.57	905.76	-
Charge for the year	-	1.81	13.45	33.87	302.26	12.68	7.61	1.14	63.83	436.65	-
Disposals	-	-	-	-	(6.76)	-	(0.10)	-	(2.81)	(9.67)	-
As at March 31, 2019	-	10.57	30.11	135.84	914.25	31.47	36.76	2.15	171.59	1,332.74	-
Charge for the year	-	1.21	15.97	39.31	317.12	4.56	9.01	1.76	65.10	454.04	-
Disposals	-	(3.61)	(0.13)	-	(8.95)	-	-	-	(12.37)	(25.06)	-
As at March 31, 2020	-	8.17	45.95	175.15	1,222.42	36.03	45.77	3.91	224.32	1,761.72	-
Net carrying value											
As at March 31, 2019	704.12	166.36	449.34	819.88	2,846.74	7.11	14.12	7.86	271.59	5,287.12	113.78
As at March 31, 2020	704.12	32.58	435.39	825.91	2,922.88	6.17	23.07	6.10	251.46	5,207.68	124.14

(i) Charge on assets

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

(ii) Hire purchase arrangements

The carrying value of vehicles held under hire purchase contracts at March 31, 2020 was Rs. 132.59 lakhs (March 31, 2019: Rs. 144.96 lakhs). Additions during the year include Rs. 59.35 lakhs (March 31, 2019: Rs. 33.86 lakhs) of vehicles under hire purchase contracts. Assets under hire purchase contracts are hypothecated as security for the related hire purchase liabilities.



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

3b Intangible assets

Particulars	Software	Total Intangible assets	Intangible assets under development
Gross block			
As at April 01, 2018	-	-	69.25
Additions	11.38	11.38	15.15
Disposals	-	-	-
Capitalisation	-	-	-
As at March 31, 2019	11.38	11.38	84.40
Additions	93.55	93.55	9.15
Disposals	-	-	-
Capitalisation	-	-	(93.55)
As at March 31, 2020	104.93	104.93	-
Depreciation			
As at April 01, 2018	-	-	-
Charge for the year	0.88	0.88	-
Disposals	-	-	-
As at March 31, 2019	0.88	0.88	-
Charge for the year	22.54	22.54	-
Disposals	-	-	-
As at March 31, 2020	23.42	23.42	-
Net carrying value			
As at March 31, 2019	10.50	10.50	84.40
As at March 31, 2020	81.51	81.51	-

3c Goodwill

Particulars	March 31, 2020	March 31, 2019
Opening balance at the beginning of the year	242.12	242.12
Movement during the year	-	-
Closing balance at the end of the year	242.12	242.12
Impairment		
Opening balance at the beginning of the year	-	-
Movement during the year	-	-
Closing balance at the end of the year	-	-
Goodwill as at end of the year	242.12	242.12

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.

**Notes forming part of
Consolidated Financial Statements
for the year ended March 31, 2020**

4 Non-current investments (fully paid up)	March 31, 2020	March 31, 2019
Investments <i>(Unquoted equity instruments at cost)</i>		
- 18,000 (March 31, 2019 : 18,000) equity shares of Rs. 10/- each fully paid up in Hyderabad EPS Products Private Limited (At cost less provision for impairment allowance Rs. 180,000 (March 31, 2019 : Rs. 180,000))	-	-
- 5,300 (March 31, 2019 : 5,300) equity shares of Rs. 100/- each fully paid up in Pink Packaging & Moulding Private Limited (At cost less provision for impairment allowance Rs. 750,000 (March 31, 2019 : Rs. 750,000))	-	-
- 6,000 (March 31, 2019 : 6,000) equity shares of Rs. 10/- each fully paid up in Sure Energy Systems Private Limited	25.00	25.00
- 1,000 (March 31, 2019 : 1,000) equity shares of Rs. 10/- each fully paid up in Ahmednagar Merchant Co-operative Bank	0.01	0.01
- 7,500 (March 31, 2019 : 5,000) equity shares of Rs. 10/- each fully paid up in Saraswat Co-operative Bank Ltd	0.75	0.50
- 214,878 (March 31, 2019 : 214,878) equity shares of Rs. 10/- each fully paid up in Frontline Power Corporation Limited	24.75	24.75
(Quoted equity instruments at fair value through OCI)		
- 1,000 (March 31, 2019 : 1,000) equity shares of Rs. 2/- each fully paid up in Nava Bharat Ventures Limited	0.34	1.03
	50.85	51.29
Total Investments		
5 Loans (non-current)		
Loans to employees - secured, considered good	2.71	0.90
Loans to employees - unsecured, considered good	4.85	5.67
Total	7.56	6.57
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)		
Trade receivables	24.78	34.01
Total	24.78	34.01
No trade or other 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)		
In earmarked accounts		
Balances held as margin money	180.11	228.75
Total	180.11	228.75
8 Other non-current financial assets		
(Unsecured, considered good unless otherwise stated)		
Security Deposits	106.76	105.40
Total	106.76	105.40



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

	March 31, 2020	March 31, 2019
9 Non-current tax assets (net)		
(Unsecured, considered good unless otherwise stated)		
Advance income tax net of provision for tax	27.64	88.20
Total	<u>27.64</u>	<u>88.20</u>
10 Other non-current assets		
(Unsecured, considered good unless otherwise stated)		
Capital advance	11.33	7.69
Total	<u>11.33</u>	<u>7.69</u>
11 Inventories		
(Cost or net realisable value whichever is lower)		
Raw materials and packing materials	548.27	518.27
Work-in-progress	101.03	73.48
Finished goods	585.20	459.02
Stock-in-trade (acquired for trading)	218.62	234.57
Stores and spares	74.29	98.34
Total	<u>1,527.41</u>	<u>1,383.68</u>
During the year ended March 31, 2020, Rs. 24.18 lakhs was recognised as an expense to bring the inventories to net realisable value. (March 31, 2019 : Rs. 21.42)		
12 Trade Receivables		
(Unsecured, considered good unless otherwise stated)		
Trade receivables	4,069.65	4,207.55
Total trade receivables	<u>4,069.65</u>	<u>4,207.55</u>
Break-up for Trade receivables		
Considered good	3,318.75	3,875.88
Significant increase in credit Risk	20.82	21.89
Trade Receivables - credit impaired	730.08	309.78
Total trade receivables	<u>4,069.65</u>	<u>4,207.55</u>
Impairment Allowance (allowance for bad and doubtful debts)		
Significant increase in credit Risk	(20.82)	(21.89)
Credit impaired	(730.08)	(309.78)
Total Impairment allowance	<u>(750.90)</u>	<u>(331.67)</u>
Total trade receivables (net)	<u>3,318.75</u>	<u>3,875.88</u>
Trade Receivables are non-interest bearing and generally have credit period ranges from 30 - 90 days. There are no debts due by directors or other officers of the Group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.		
13 Cash and cash equivalents		
Balances with Banks		
On current accounts	66.34	300.13
In deposits with original maturity of less than three months	-	0.69
Cheques / drafts on hand	-	14.08
Cash on hand	9.92	9.64
Total	<u>76.26</u>	<u>324.54</u>

**Notes forming part of
Consolidated Financial Statements
for the year ended March 31, 2020**

	March 31, 2020	March 31, 2019
14 Bank Balances other than cash and cash equivalents		
In earmarked accounts		
Unclaimed dividend accounts	18.56	17.43
Others (refer note below)	<u>67.06</u>	<u>66.56</u>
Total	<u>85.62</u>	<u>83.99</u>

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

15 Loans (Current)		
(Unsecured, considered good unless stated otherwise)		
Loans to employees - secured, considered good	1.36	7.54
Loans to employees - unsecured	<u>18.06</u>	<u>31.19</u>
Total	<u>19.42</u>	<u>38.73</u>

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)		
Security deposits	92.09	85.06
Unbilled revenue on projects	76.88	-
Interest receivable	<u>0.58</u>	<u>2.81</u>
Total	<u>169.55</u>	<u>87.87</u>

Breakup of financial assets

	March 31, 2020	March 31, 2019
At amortised cost		
Non-current and current loans	26.98	45.30
Trade receivables	4,069.65	4,207.55
Cash and cash equivalents	76.26	324.54
Bank balances	85.62	312.74
Other non-current and current financial assets	<u>276.31</u>	<u>193.27</u>
Total financial assets carried at amortised cost	<u>4,534.82</u>	<u>5,083.40</u>

17 Others current assets		
(Unsecured, considered good unless otherwise stated)		
	March 31, 2020	March 31, 2019
Advance paid for jobs in progress		
- Considered good	262.44	203.13
- Considered doubtful	120.96	41.57
Advances for supply and services	324.09	219.80
Prepayments	71.38	83.70
Balances with Statutory / Government Authorities (net)	77.03	109.43
Surplus gratuity fund balance	33.21	37.08
Other advances	111.37	70.85
Less: Allowance for credit loss against doubtful advances	<u>(120.96)</u>	<u>(41.57)</u>
Total	<u>879.52</u>	<u>723.99</u>



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

(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, 2019: Rs.2/- each)

	Number of shares	Rs. in Lakhs
At April 1, 2018	50,000,000	1,000.00
Increase / (decrease) during the year	-	-
At March 31, 2019	50,000,000	1,000.00
Increase / (decrease) during the year	-	-
At March 31, 2020	50,000,000	1,000.00

18.2 Issued, Subscribed and Paid-up Capital

Equity shares of Rs.2/- each (March 31, 2019: Rs.2/- each)
issued, subscribed and fully paid

	Number of shares	Rs. in Lakhs
At April 1, 2018	28,099,008	561.98
Increase/(decrease) during the year	-	-
At March 31, 2019	28,099,008	561.98
Increase/(decrease) during the year	-	-
At March 31, 2020	28,099,008	561.98

18.3 Terms/ rights attached to shares

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

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

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

	March 31, 2020		March 31, 2019	
	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	5,558,848	19.78 %	7,603,048	27.06 %
M/s. Gunnam Subba Rao Insulation Private Limited	3,328,320	11.84 %	3,328,320	11.84 %

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

**Notes forming part of
Consolidated Financial Statements
for the year ended March 31, 2020**

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

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

19 Other equity

	March 31, 2020	March 31, 2019
Reserves and Surplus		
(a) Securities premium account		
Balance at the beginning of the year	555.65	555.65
Balance at the end of the year	555.65	555.65
(b) General reserve		
Balance at the beginning of the year	484.61	484.61
Add: Amount transferred from surplus in the statement of profit and loss	-	-
Balance at the end of the year	484.61	484.61
(c) Surplus in the statement of profit and loss		
Balance at the beginning of the year	2,426.57	2,511.39
Add: Profit/(loss) for the year	81.93	(75.10)
Re-measurement gain/(loss) on Defined Benefit Obligations (net of tax impact) (refer note 43)	(3.23)	(9.72)
Less: Cash dividend*	(67.44)	-
Less: Dividend distribution tax*	(13.86)	-
Balance at the end of the year	2,423.97	2,426.57
*Distribution made and proposed		
i). Cash dividends on equity shares proposed and paid		
Final dividend for year ended on 31st March 2020: Rs.0.24 per share (31st March 2019: Rs.Nil per share)	67.44	-
Dividend distribution tax	13.86	-
Total cash dividend including dividend distribution tax	81.30	-
ii). Proposed dividend on equity shares		
Final dividend for the year ended on 31st March 2020: Rs.Nil per share (31st March 2019: Rs.0.24 per share)	-	67.44
Dividend distribution tax	-	13.86
Total proposed dividend including dividend distribution tax	-	81.30
Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as on March 31.		
(d) FVTOCI reserve		
Balance at the beginning of the year	5.33	5.56
Add: Other comprehensive income for the year	(0.52)	(0.23)
Balance at the end of the year	4.81	5.33
Total other equity	3,469.04	3,472.16



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

20 Borrowings (non-current)

Term loans

Indian Rupee loans from banks (Secured) (a)

679.10

604.91

Long term maturities of finance lease obligation

Obligations under hire purchase contracts (Secured) (b)

63.51

63.40

Unsecured loans from others

Unsecured deposits from members - related parties (Refer note 48)

20.00

100.18

Unsecured deposits from members - others

82.30

122.45

Unsecured inter corporate deposits

250.00

-

Total

1,094.91

890.94

Current maturities of non-current borrowings

Indian Rupee term loans from banks (Secured) (b)

184.63

238.45

Obligations under hire purchase contracts (Secured) (b)

33.30

42.89

217.93

281.34

Less: Amount disclosed under the head "other financial liabilities" (c)

(217.93)

(281.34)

Total non-current borrowings ((a) - (c))

876.98

609.60

- (i) The Rupee term loans from Bank of India 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 11.00% (previous year - 10.60%)
- (ii) Hire purchase loans are secured by hypothecation of vehicles acquired out of the loan and taken at an interest rate of 9.50% to 10.50%.
- (iii) Deposits from members are accepted at an interest rate of 9.75% to 10.75%
- (iv) Inter corporate deposits are accepted at an interest rate of 11.00% to 13.00%
- (v) Loans and advances from related parties are at an interest rate of 12.00%

21 Finance lease liabilities (non current)

March 31, 2020 March 31, 2019

Long term maturities of finance lease obligation

Lease liabilities (refer note 49)

286.07

-

Total

286.07

-

22 Other financial liabilities (non current)

Interest accrued but not due on deposits from others

0.85

2.03

Total

0.85

2.03

23 Provisions (non-current)

Provision for compensated absences (refer note 46)

77.03

76.65

Provision for gratuity

22.27

23.56

Total

99.30

100.21

**Notes forming part of
Consolidated Financial Statements
for the year ended March 31, 2020**

24 Deferred tax liabilities: (Net)

	March 31, 2020	March 31, 2019
Deferred tax liability relating to		
On difference between book balance and tax balance of property, plant and equipment	277.54	328.08
Deferred tax impact on fair valuation of Investments	2.52	2.69
(A)	<u>280.06</u>	<u>330.77</u>
Deferred tax asset relating to		
Provision for compensated absences & bonus	37.13	28.19
Provision for impairment allowance on debtors	226.82	119.76
(B)	<u>263.95</u>	<u>147.95</u>
(A-B)	<u>16.11</u>	<u>182.82</u>

For the year ended March 31, 2020	Opening Balance	Recognised in profit & loss	Recognised in OCI	Closing balance
Property, plant and equipment	328.08	(50.54)	-	277.54
Provision for compensated absences	(28.19)	(8.94)	-	(37.13)
Provision for impairment allowance on doubtful assets	(119.76)	(107.06)	-	(226.82)
FVTOCI reserve	2.69	-	(0.17)	2.52
	<u>182.82</u>	<u>(166.54)</u>	<u>(0.17)</u>	<u>16.11</u>

For the year ended March 31, 2019	Opening Balance	Recognised in profit & loss	Recognised in OCI	Closing balance
Property, plant and equipment	324.57	3.51	-	328.08
Provision for compensated absences	(25.94)	(2.25)	-	(28.19)
Provision for impairment allowance on doubtful assets	(117.45)	(2.31)	-	(119.76)
FVTOCI reserve	2.78	-	(0.09)	2.69
	<u>183.96</u>	<u>(1.05)</u>	<u>(0.09)</u>	<u>182.82</u>

25 Borrowings (Current)

	March 31, 2020	March 31, 2019
Cash credit from banks (secured)	1,820.78	2,153.41
Unsecured inter corporate deposits	272.00	542.00
Unsecured loans and advances from related parties (Refer note 48)	390.75	377.83
Unsecured deposits from members - related parties (Refer note 48)	85.18	5.00
Unsecured deposits from members - others	108.16	112.84
Total	<u>2,676.87</u>	<u>3,191.08</u>

- (i) The interest rate on the cash credit ranges between 10.80% to 13.45%. Refer note 3(a) for details of security.
(ii) Refer note under non-current borrowings for details of security and terms of repayment.



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

26 Trade payables

	March 31, 2020	March 31, 2019
Outstanding dues to micro, small and medium enterprises	-	-
Outstanding dues to creditors other than micro, small and medium enterprises	3,361.59	3,554.61
Total	<u>3,361.59</u>	<u>3,554.61</u>

Based on the information available with the Group, there are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2020 (March 31, 2019: Nil). Further, the Group has not paid any interest to any Micro and Small Enterprises during the current and previous year.

Term and conditions of the above financial liabilities:

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

	March 31, 2020	March 31, 2019
27 Finance lease liabilities (current)		
Current maturities of finance lease obligation		
Lease liabilities (refer note 49)	109.62	-
Total	<u>109.62</u>	<u>-</u>
28 Other financial liabilities (current)		
Current Maturities of long term debt (refer note (ii) below)	184.63	238.45
Current maturities of hire purchase loans (refer note (iii) below)	33.30	42.89
Unclaimed dividend	18.56	17.43
Interest accrued but not due on deposits from members		
- From related parties	0.20	0.22
- From others	2.95	6.94
Interest accrued but not due on promoters loan	-	2.75
Interest accrued but not due on borrowings	2.36	1.59
Payable to employees	5.21	49.22
Total	<u>247.21</u>	<u>359.49</u>
(i) Interest payable is normally settled monthly / quarterly throughout the financial year.		
(ii) Current maturities of long-term debt pertains to secured term loans taken from banks. Refer note (i) under non-current borrowings for details of security and terms of repayment.		
(iii) Hire purchase loans are secured by hypothecation of vehicles acquired out of the loan.		
29 Other current liabilities		
Statutory liabilities	129.98	184.12
Advances received from customers	248.15	323.08
Advance for sale of land	145.70	145.70
Deferred revenue	34.58	-
Total	<u>558.41</u>	<u>652.90</u>
30 Provisions (current)		
Provision for compensated absences (refer note 46)	24.21	20.17
Provision for differential sales tax	13.52	38.02
Other provisions	59.18	33.44
Total	<u>96.91</u>	<u>91.63</u>
31 Current tax liabilities		
Provision for income tax (net of advance taxes)	158.31	-
Total	<u>158.31</u>	<u>-</u>

**Notes forming part of
Consolidated Financial Statements
for the year ended March 31, 2020**

	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
Breakup of financial liabilities		
At amortised cost		
Non current borrowings	876.98	609.60
Current borrowings	2,676.87	3,191.08
Trade Payables	3,361.59	3,554.61
Other non-current and current financial liabilities	<u>248.06</u>	<u>361.52</u>
Total financial liabilities carried at amortised cost	<u>7,163.50</u>	<u>7,716.81</u>
32 Revenue from contracts with customers		
Sale of Products		
Finished goods	13,224.60	15,263.10
Traded goods	1,201.46	2,133.64
Sale of services	1,606.06	1,870.53
Other operating revenue		
Scrap sales	<u>41.56</u>	<u>40.40</u>
Total revenue from operations	<u>16,073.68</u>	<u>19,307.67</u>
Disaggregated information		
Reconciliation of the revenue from contract with customers with the amounts disclosed in the segment information (Note 47)		
Insulation	14,872.22	17,173.84
Trading	<u>1,201.46</u>	<u>2,133.83</u>
Total revenue from contracts with customers	<u>16,073.68</u>	<u>19,307.67</u>
Timing of revenue recognition		
Revenue recognised at a point in time	14,467.62	17,437.14
Revenue recognised over a point in time	<u>1,606.06</u>	<u>1,870.53</u>
	<u>16,073.68</u>	<u>19,307.67</u>
Contract balances		
Trade receivables	3,343.53	3,909.89
Contract assets	262.44	203.13
Contract liabilities	248.15	323.08
Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.		
Contract assets are recognised over time based on the progress of completion of the service as per the terms of the contract, as the customer simultaneously receives and consumes the benefits provided by the group. Upon completion and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.		
A contract liability is the obligation to transfer goods or services to a customer for which the group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).		
Reconciling the amount of revenue recognised in the statement of profit and loss with the contract price		
Due to 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.		
	For the year ended 31-Mar- 2019	For the year ended 31-Mar- 2018
33 Other income		
Rental income from operating leases	31.36	35.96
Dividend Income	0.06	0.06
Net gain on sale of property, plant and equipment	5.21	0.95
Foreign Exchange Fluctuation (net)	5.22	-
Liabilities no longer required written back	12.85	-
Other non-operating income	<u>3.65</u>	<u>22.85</u>
Total	<u>58.35</u>	<u>59.82</u>
34 Finance income		
Interest Income on		
- Bank Deposits	19.63	18.15
- Income tax refund	18.25	-
- Others	<u>1.64</u>	<u>1.55</u>
Total	<u>39.52</u>	<u>19.70</u>



BEARDELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

	For the year ended 31-Mar- 2020	For the year ended 31-Mar- 2019
35 Cost of raw materials consumed		
Opening stock	518.27	490.60
Add: Purchases	8,931.21	11,523.88
	9,449.48	12,014.48
Less : Closing stock	548.27	518.27
Total cost of raw materials consumed	8,901.21	11,496.21
36 Purchase of traded goods		
Stock-in-trade - Motors	966.36	1,347.27
Stock-in-trade - Others	260.26	563.19
Total	1,226.62	1,910.46
37 Changes in inventories of finished goods, work-in-progress and traded goods		
Opening stock		
Finished goods	459.02	503.94
Work-in-Progress	73.48	50.81
Stock-in-trade	234.57	214.39
	767.07	769.14
Closing stock		
Finished goods	585.20	459.02
Work-in-Progress	101.03	73.48
Stock-in-trade	218.62	234.57
	904.85	767.07
Decrease/ (increase) in inventories of finished goods, work-in-progress and traded goods	(137.78)	2.07
38 Employee benefits expense		
Salaries, allowances and wages	1,421.54	1,449.42
Contribution to provident fund and other funds	171.13	169.23
Gratuity expense (refer note 46)	31.15	23.12
Staff welfare expenses	133.16	173.61
Total	1,756.98	1,815.38
39 Finance Costs		
Interest expense on		
Term loans and working capital loans	363.36	369.15
On deposits from members and other deposits	138.61	114.26
On hire purchase contracts	7.80	8.66
Delayed payment of Income Tax	33.04	22.02
Lease liabilities	36.69	-
Other Borrowing Costs #	61.49	81.40
Total	640.99	595.49
# Other borrowing cost includes loan processing charges, guarantee charges, loan facilitation charges and other ancillary costs incurred in connection with borrowings.		
40 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	454.04	436.65
Amortization of intangible assets	22.54	0.88
Amortization of ROU assets	148.58	-
Total	625.16	437.53

**Notes forming part of
Consolidated Financial Statements
for the year ended March 31, 2020**

41 Other expenses

	For the year ended 31-Mar-2020	For the year ended 31-Mar-2019
Consumption of stores and spares	161.50	149.88
Service Charges	638.45	619.37
Power and Fuel	831.56	877.97
Repairs & maintenance		
Plant and machinery	29.57	59.35
Buildings	41.37	16.87
Furniture and Equipment	11.16	11.24
Rent	9.45	184.18
Rates and taxes	54.73	30.04
Advertising and sales promotion	11.26	92.75
Vehicle maintenance	38.31	47.81
Insurance	88.76	87.29
Printing and stationery	2.28	23.13
Consultancy and other professional charges	107.89	181.86
Travelling and conveyance	112.85	141.16
Communication expenses	30.78	37.60
Allowance for credit loss	474.12	7.93
Bad debts written off	7.45	69.93
Freight and forwarding charges	315.51	349.92
Donations	4.59	27.50
Sitting fees paid to Directors	8.55	6.90
Bank charges	17.35	35.08
Net loss on foreign currency transactions and translation	-	20.58
Miscellaneous Expenses	103.36	105.37
Total	<u>3,100.85</u>	<u>3,183.71</u>

Payment to auditor (included under consultancy and other professional charges)

As auditor

- Audit fee	12.00	12.00
- Limited review	9.00	9.00
- Tax audit fee	1.00	1.00

In other capacity

- Other services (includes certification)	0.50	1.50
- Reimbursement of expenses	0.46	0.81

Total

<u>22.96</u>	<u>24.31</u>
---------------------	---------------------

Details of CSR expenditure

a) Gross amount required to be spent by the Group during the year	7.37	11.10
b) Amount spent during the year ending on March 31, 2020 :	In cash	Yet to be paid in cash
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	4.59	2.78
c) Amount spent during the year ending on March 31, 2019 :	In cash	Yet to be paid in cash
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	22.30	-

42 Exceptional items

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



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

	For the year ended 31-Mar-2020	For the year ended 31-Mar-2019
43 Other Comprehensive Income (OCI)		
The disaggregation of changes to OCI by each type of reserve in equity is shown below:		
FVTOCI reserve		
Gain/(loss) on FVTOCI financial assets	(0.69)	(0.32)
Deferred tax effect on the gain/(loss) on FVTOCI financial assets	0.17	0.09
Re-measurement gains / (losses) on defined benefit plans	(4.32)	(13.46)
Deferred tax effect on remeasurement costs on net defined benefit liability	1.09	3.74
Total	(3.75)	(9.95)
44 Earnings per share (EPS)		
Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the group by the weighted average number of equity shares outstanding during the year.		
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the group by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Profit / (Loss) available for equity shareholders	81.93	(75.10)
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.)	0.29	(0.27)
- Diluted (Rs.)	0.29	(0.27)
45 Income taxes		
The major components of income tax expenses for the year ended March 31, 2020 and March 31, 2019 are:		
(i) Profit or loss section		
Current tax	200.00	22.58
Deferred tax credit	(155.06)	(1.14)
Total income tax expense recognised in statement of Profit & Loss	44.94	21.44
(ii) OCI Section		
Net gain on FVTOCI financial assets	(0.17)	(0.09)
Net loss on remeasurement of defined benefit plans	(1.09)	(3.74)
Income tax charged to OCI	(1.26)	(3.83)
Reconciliation of tax expense and the accounting profit multiplied by Corporate Income tax rate applicable for March 31, 2020 and March 31, 2019:		
Accounting Profit Before Tax (A)	126.87	(53.66)
Enacted tax rate in India (B)	25.17%	26.00%
Profit before income tax multiplied by standard rate of Corporate tax in India (C = A*B)	31.93	(13.95)
Adjustments		
50% of donation	0.56	4.00
Impact of change in income tax rate*	(24.75)	-
Impact on account of special rates on Indexed amount	(12.52)	-
Others	49.72	31.39
Total (D)	13.01	35.39
Expected tax expenses after adjustments (C+D)	44.94	21.44
Total Tax expense	44.94	21.44

*The Group elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Group has recognized provision for income tax for the current year and re-measured its deferred tax liabilities (net) basis the rate prescribed in the said section. The full impact of this change has been recognized in the statement of profit and loss.

**Notes forming part of
Consolidated Financial Statements
for the year ended March 31, 2020**

46 Employee benefits

A. Defined contribution plans

The group makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the group is required to contribute a specified percentage of the payroll costs to fund the benefits. The group recognised Rs.98.52 Lakhs (March 31, 2019: Rs.96.58 Lakhs) for Provident Fund contributions, Rs.69.29 Lakhs (March 31, 2019: Rs.65.52 Lakhs) for Superannuation Fund contributions and Rs.3.32 Lakhs (March 31, 2019: Rs.7.14 Lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the group are at rates specified in the rules of the schemes.

B. Defined benefit plans

Gratuity

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

The components of gratuity cost recognised in the statement of profit and loss for the years ended March 31, 2020 and March 31, 2019 consist of the following :

Particulars	For the year ended 31-Mar-2020	For the year ended 31-Mar-2019
Current service cost	31.41	27.02
Interest cost (net)	(3.22)	(3.90)
Gratuity cost recognised in statement of profit and loss	28.19	23.12
Actuarial (gains) / losses due to demographic changes in DBO	2.04	-
Return on plan assets (greater)/less than discount rate	-	2.80
Actuarial (gains) / losses due to changes in financial assumptions	(21.96)	11.64
Experience adjustments	24.24	(0.98)
Components of defined benefit costs recognised in other comprehensive income	4.32	13.46
Details of the employee benefits obligations and plan assets are provided below:		
Defined benefit obligation	425.71	377.49
Fair value of plan assets	(458.92)	(414.57)
Net defined benefit (asset) / liability recognised	(33.21)	(37.08)
Details of changes in the present value of defined benefit obligations are as follows:		
Opening defined benefit obligation	377.49	344.23
Current service cost	31.41	27.02
Interest cost	25.63	25.58
Remeasurement gains/(losses) on obligation	4.32	10.66
Benefits paid	(13.14)	(30.00)
Defined benefit obligations at the end of the year	425.71	377.49
Details of changes in the fair value of plan assets are as follows:		
Fair value of plan assets at the beginning of the year	414.57	370.99
Expected return on plan assets	28.85	29.48
Employer contributions	28.64	46.90
Benefits paid	(13.14)	(30.00)
Remeasurement gains/(losses) on plan assets	-	(2.80)
Plan assets at the end of the year	458.92	414.57



BEARDELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

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

Particulars	March 31, 2020	March 31, 2019
Discount rate	6.83 %	7.77 %
Rate of return of plan assets	6.83 %	7.77 %
Attrition rate	6.00 %	1.00 %
Rate of compensation increase	6.00 %	6.00 %

Sensitivity Analysis: Impact on defined benefit obligation

(a) Effect of 1% change in assumed discount rate		
- 1% increase	(23.75)	(22.82)
- 1% decrease	27.56	26.33
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	27.56	25.54
- 1% decrease	(24.35)	(22.85)
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	0.08	2.08
- 1% decrease	(0.46)	(2.32)

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

Expected future benefit payments		
Within next year	65.13	40.94
Between 2 and 5 years	121.11	138.45
Between 6 and 10 years	126.57	135.35

47 Segment information

Primary segment

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

**Notes forming part of
Consolidated Financial Statements
for the year ended March 31, 2020**

For the year ended March 31, 2020

Particulars	Insulation	Trading	Total
Revenue	14,872.22	1,201.46	16,073.68
Segment result	974.59	98.15	1,072.74
Less: Finance costs			(640.99)
Less: Unallocable corporate expenses (net of income)			(374.23)
Add: Exceptional items			69.35
Profit before taxes			126.87
Less: Tax expenses			(44.94)
Net profit for the year			81.93
As at year ended March 31, 2020			
Segment assets	11,239.25	487.66	11,726.91
Unallocable assets			792.34
Total Assets			12,519.25
Segment liabilities	5,231.86	183.77	5,415.63
Unallocable liabilities			3,072.60
Total liabilities			8,488.23

For the year ended March 31, 2019

Particulars	Insulation	Trading	Total
Revenue	17,173.84	2,133.83	19,307.67
Segment result	1,046.97	138.14	1,185.11
Less: Finance costs			(595.49)
Less: Unallocable corporate expenses (net of income)			(643.28)
Add: Exceptional items			-
Profit before taxes			(53.66)
Less: Tax expenses			(21.44)
Net profit for the year			(75.10)
As at year ended March 31, 2019			
Segment assets	11,146.35	558.89	11,705.24
Unallocable assets			1,073.27
Total Assets			12,778.51
Segment liabilities	4,587.07	372.39	4,959.46
Unallocable liabilities			3,784.91
Total liabilities			8,744.37

Capital expenditure

Particulars	March 31, 2020	March 31, 2019
Insulation	533.84	593.42
Trading	-	-
Unallocable	93.55	11.38
Total	627.39	604.80

Depreciation / amortisation

Particulars	March 31, 2020	March 31, 2019
Insulation	421.44	403.71
Trading	32.60	32.94
Unallocable	171.12	0.88
Total	625.16	437.53



BEARDELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

Revenue from External Customers

Particulars	March 31, 2020	March 31, 2019
India	15,919.44	18,587.47
Outside India	154.24	720.20

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

Non current assets

Particulars	March 31, 2020	March 31, 2019
India	6,033.69	5,737.92
Outside India	-	-

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

48 Related Party Transactions

Key Management Personnel (KMP) and their relatives

- Mr. Bharat Anumolu - Managing Director (till May 19, 2019)
- Mr. Amrith Anumolu - Executive Director
- Mrs. Jayasree Anumolu - Director / Relative of KMP
- Mrs. Lalithamaba Panda - Relative of KMP
- Mrs. Vijayalakshmi Ravindranath - Independent Director (till November 29, 2018)
- Mr. R Gowrishanker - Independent Director (till September 16, 2019)
- Mr. V J Singh - Independent Director (till September 30, 2019)
- Mr. Gurram Jagannathan Reddy - Independent Director (from June 28, 2019)
- Mr. A V Ram Mohan - Independent Director (from October 21, 2019)
- Mr. V V Sridharan - Chief Financial Officer
- Mr. K Murali - Company Secretary (till May 31, 2020)
- Ms. T Anantha Jothi - Company Secretary (from June 01, 2020)
- Mrs. S N Radha - Relative of KMP

Enterprises over which parties above or their relatives have control / significant influence ('Affiliates')

- M/s. Gunnam Subba Rao Insulation Private Limited
- M/s. Korean Painting and Plating Pvt Ltd (Formerly "Panda Solar Energy Pvt Ltd")
- M/s. Villasini Real Estate Private Limited

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2020 and March 31, 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

**Notes forming part of
Consolidated Financial Statements
for the year ended March 31, 2020**

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

Particulars	Affiliates	Key Managerial Personnel & their Relatives
Transactions during the period		
Lease rent income	4.80	-
Lease rent expense	48.00	-
Managerial remuneration paid		
Mr. Bharat Anumolu	-	9.11
Mr. Amrith Anumolu	-	37.29
Mr. V V Sridharan	-	24.91
Mr. K Murali	-	14.17
Sitting fees & conveyance charges paid to Directors		
Mr. Bharat Anumolu	-	0.20
Mr. Amrith Anumolu	-	2.00
Mrs. Jayasree Anumolu	-	1.60
Mr. Gowrishanker	-	2.40
Mr. V.J Singh	-	2.20
Mr. Gurram Jagannathan Reddy	-	1.80
Mr. A V Ram Mohan	-	1.20
Public deposits received		
Mrs. S N Radha	-	5.00
Unsecured loan received		
Mrs. Jayasree Anumolu	-	100.00
Unsecured Loan repaid		
Mr. Bharat Anumolu	-	7.08
Mr. Gowrishanker	-	80.00
Finance cost during the year on loans		
Mr. Bharat Anumolu	-	8.81
Mr. V J Singh	-	0.84
Mr. Amrith Anumolu	-	1.93
Mr. Gowrishanker	-	23.85
Mrs. Jayasree Anumolu	-	9.02
Balance outstanding as at the year end		
Other advances	2.61	-
Unsecured loan from Mr. Bharat Anumolu	-	72.75
Unsecured loan from Mr. V J Singh	-	7.00
Unsecured loan from Mrs. Jayasree Anumolu	-	125.00
Unsecured loan from Mr. Amrith Anumolu	-	16.00
Unsecured loan from Mr. Gowrishanker	-	170.00
Public deposits from Mrs. Lalithamba Panda	-	100.18
Public deposits from Mrs. S N Radha	-	5.00
Interest accrued on Fixed Deposit - Mrs. S N Radha	-	0.20



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

c. Related party transactions for the year ended March 31, 2019

Particulars	Affiliates	Key Managerial Personnel & their Relatives
Transactions during the period		
Lease rent income	3.10	-
Lease rent expense	48.00	-
Managerial remuneration paid		
Mr. Bharat Anumolu	-	76.12
Mr. Amrith Anumolu	-	46.66
Mr. V V Sridharan	-	21.93
Mr. K Murali	-	14.30
Sitting fees & conveyance charges paid to Directors		
Mr. Bharat Anumolu	-	2.00
Mr. Amrith Anumolu	-	1.20
Mrs. Jayasree Anumolu	-	1.20
Mr. Gowrishanker	-	1.60
Mr.V J Singh	-	2.20
Mrs. Vijayalakshmi Ravindranath	-	1.00
Public deposits received		
Mrs Lalithamba Panda	-	20.00
Intercompany loan received		
Villasini Real Estate Private Limited	20.00	-
Intercompany loan repaid		
Villasini Real Estate Private Limited	20.00	-
Unsecured loan received		
Mr. Bharat Anumolu	-	100.00
Mrs. Jayasree Anumolu	-	25.00
Mr. Amrith Anumolu	-	16.00
Mr. Gowrishanker	-	400.00
Unsecured Loan repaid		
Mr. Bharat Anumolu	-	116.67
Mrs. Jayasree Anumolu	-	21.82
Mr. Gowrishanker	-	150.00
Finance cost during the year on loans		
Mr. Bharat Anumolu	-	4.56
Mr. V.J Singh	-	0.84
Mr. Amrith Anumolu	-	0.84
Mr. Gowrishanker	-	9.60
Mrs. Jayasree Anumolu	-	1.57
M/s. Villasini Real Estate Private Limited	0.21	-
Balance outstanding as at the year end		
Other advances	33.44	-
Unsecured loan from Mr. Bharat Anumolu	-	79.83
Unsecured loan from Mr. V J Singh	-	7.00
Unsecured loan from Mrs. Jayasree Anumolu	-	25.00
Unsecured loan from Mr. Amrith Anumolu	-	16.00
Unsecured loan from Mr. Gowrishanker	-	250.00
Public deposits from Mrs. Lalithamba Panda	-	100.18
Public deposits from Mrs. S N Radha	-	5.00
Interest accrued on Fixed Deposit - Mrs. S N Radha	-	0.22

**Notes forming part of
Consolidated Financial Statements
for the year ended March 31, 2020**

49 Leases

Group as a lessee

The group has lease contracts for rent of building and plant & machinery used in its operations. Leases of building used for office purpose have lease terms between 1 and 9 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.

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

Particulars	Building	Total
As at April 01, 2019	526.82	526.82
Additions	-	-
Depreciation expense	(148.58)	(148.58)
As at March 31, 2020	378.24	378.24

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

	As at March 31, 2020	As at March 31, 2019
As at April 01	526.82	-
Additions	-	-
Accretion of interest	36.69	-
Payments	(167.82)	-
As at March 31	395.69	-
Current	109.62	-
Non-current	286.07	-

The maturity analysis of lease liabilities are disclosed in Note 52. The effective interest rate for lease liabilities is 8%, with maturity between 2021-2025.

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	148.58	-
Interest expense on lease liabilities	36.69	-
Total amount recognised in profit or loss	185.27	-

The Group had total cash outflows for leases of INR 167.82 lakhs in March 31, 2020 (INR Nil in March 31, 2019).

50 Commitments and contingencies liabilities

a. Commitments

The estimated amount of contracts, net of advances remaining to be executed on capital account and not provided is Rs.20.03 lakhs (March 31, 2019 : Rs.49.76 lakhs).

b. Contingent liabilities

	March 31, 2020	March 31, 2019
(a) Claims against the Group not acknowledged as debts	22.77	22.77
(b) Sales tax demands against which the Group has filed appeals	583.10	744.25
	605.87	767.02

Particular	March 31, 2020	March 31, 2019	Period to which the amount relates	Forum where dispute is pending
Under Sales Tax Acts of various states			1995-96 2000-01 2001-02 2003-04	Deputy Commissioner, Assistant Commissioner & other appellate authorities
Amount under dispute	1.79	1.79		
Amount paid	0.74	0.74		
Net Amount	1.05	1.05		
Under Central Sales Tax Act, 1956			1995-96, 2003-04 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17	High Court, Deputy Commissioner & CTO of various states
Amount under dispute	581.31	742.46		
Amount paid	56.15	56.15		
Net Amount	525.16	686.31		



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

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.

51 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the group's accounting policies, management has not made any judgement, which has significant effect on the amounts recognised in the financial statements.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

(i) Impairment of non-financial assets

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.

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

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

(iv) Allowance for expected credit loss (ECL provision)

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

Trade receivables comprise a large number of customers. The group has credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined. Net Trade receivables as on March 31, 2020 is Rs. 3,343.53 lakhs (March 31, 2019 - 3,909.89 lakhs). The group believes the concentration of risk with respect to trade receivables is low, as its

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2020

customers are located in several jurisdictions and industries and operate in largely independent markets.

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

(v) Leases - estimating the incremental borrowing rate

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

52 Financial risk management objectives and policies

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

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

Market Risk

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

Interest rate risk

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

Interest rate sensitivity

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

Particulars	March 31, 2020		March 31, 2019	
Increase / decrease in interest rate	+ 1%	-1%	+ 1%	-1%
Impact on profit before tax	25.00	(25.00)	27.58	(27.58)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group’s exposure to the risk of changes in foreign exchange rates relates primarily to the Group’s operating activities (when revenue or expense is denominated in a foreign currency). The Group has not hedged any portion of its expected foreign currency sales as at March 31, 2020 and March 31, 2019.

Foreign currency sensitivity

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



BEARDELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

Particulars	Currency	March 31, 2020	March 31, 2019
Trade receivables	USD	49,440.05	31,345.00

Particulars	Forex Currency	Change in forex rate(%)	Effect on profit before tax (in Rs.)	Effect on pre-tax equity (in Rs.)
31-Mar-2020	USD	5% Increase	(186,354)	(186,354)
		5% Decrease	186,354	186,354
31-Mar-2019	USD	5% Increase	(108,407)	(108,407)
		5% Decrease	108,407	108,407

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

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk is equal to the carrying amount of financial assets as of March 31, 2020 and March 31, 2019 respectively.

Liquidity Risk

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

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

	Within 1 year	1 to 5 years	After 5 years	Total
Year ended March 31, 2020				
Borrowings	2,676.87	876.98	-	3,553.85
Other financial liabilities	247.21	0.85	-	248.06
Trade payables	3,361.59	-	-	3,361.59
	6,285.67	877.83	-	7,163.50
Year ended March 31, 2019				
Borrowings	3191.08	609.60	-	3,800.68
Other financial liabilities	359.49	2.03	-	361.52
Trade payables	3,554.61	-	-	3,554.61
	7,105.18	611.63	-	7,716.81

**Notes forming part of
Consolidated Financial Statements
for the year ended March 31, 2020**

53 Fair value measurements

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

Particulars	Carrying Value		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial assets				
Other investments	42.46	42.21	50.85	51.29
Trade receivables	3,343.53	3,909.89	3,343.53	3,909.89
Cash and cash equivalents	76.26	324.54	76.26	324.54
Bank balances other than cash and cash equivalents	265.73	312.74	265.73	312.74
Loans	26.98	45.30	26.98	45.30
Other financials assets	276.31	193.27	276.31	193.27
Total	4,031.27	4,827.95	4,039.66	4,837.03
Financial liabilities				
Borrowings	3,553.85	3,800.68	3,553.85	3,800.68
Trade payables	3,361.59	3,554.61	3,361.59	3,554.61
Other financial liabilities	248.06	361.52	248.06	361.52
Total	7,163.50	7,716.81	7,163.50	7,716.81

54 Fair value hierarchy

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

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

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

Particulars	As at March 31, 2020			
	Carrying amount	Fair Value		
		Level 1	Level 2	Level 3
Asset measured at fair value:				
FVTOCI Equity Investments				
Other investments	0.34	0.34	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

Particulars	As at March 31, 2019			
	Carrying amount	Fair Value		
		Level 1	Level 2	Level 3
Asset measured at fair value:				
FVTOCI Equity Investments				
Other investments	1.03	1.03	-	-



BEARDSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

Notes:

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

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

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

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

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

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

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

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

55 Capital management

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

	March 31, 2020	April 01, 2019
Borrowings	3,771.78	3,469.04
Less: cash and short-term deposits	<u>(161.88)</u>	<u>(408.53)</u>
Net debt	<u>3,609.90</u>	<u>3,060.51</u>
Equity	561.98	561.98
Other equity	<u>3,469.04</u>	<u>3,472.16</u>
Total equity	<u>4,031.02</u>	<u>4,034.14</u>
Gearing ratio	47%	43%

In order to achieve this overall objective, the entity's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current and previous periods. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

**Notes forming part of
Consolidated Financial Statements
for the year ended March 31, 2020**

56 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 as at and for the year ended March 31, 2020 and March 31, 2019

Year Ended 31st March 2020

S.No	Name of the Entities	Net Assets		Share in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount (INR in Lakhs)	As % of Consolidated Profit and Loss	Amount (INR in Lakhs)	As % of Consolidated Other Comprehensive Income	Amount (INR in Lakhs)	As % of Consolidated Total Comprehensive Income	Amount (INR in Lakhs)
I.	Parent Beardsell Limited	112.88%	4,550.05	309.47%	253.55	100.00%	(3.75)	319.52%	249.80
II.	Subsidiary Sarovar Insulation Private Limited	-5.55%	(223.80)	-26.01%	(21.31)	0.00%	-	-27.26%	(21.31)
III.	Controlled Entity Saideep Polytherm	-7.32%	(295.23)	-183.46%	(150.31)	0.00%	-	-192.26%	(150.31)
	Total		4,031.02		81.93		(3.75)		78.18

Year Ended 31st March 2019

S.No	Name of the Entities	Net Assets		Share in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount (INR in Lakhs)	As % of Consolidated Profit and Loss	Amount (INR in Lakhs)	As % of Consolidated Other Comprehensive Income	Amount (INR in Lakhs)	As % of Consolidated Total Comprehensive Income	Amount (INR in Lakhs)
I.	Parent Beardsell Limited	108.61%	4,381.55	-28.68%	21.54	100.00%	(9.95)	-13.63%	11.59
II.	Subsidiary Sarovar Insulation Private Limited	-5.02%	(202.49)	-10.17%	7.64	0.00%	-	-8.98%	7.64
III.	Controlled Entity Saideep Polytherm	-3.59%	(144.92)	138.85%	(104.28)	0.00%	-	122.61%	(104.28)
	Total		4,034.14		(75.10)		(9.95)		(85.05)

57 Events after the reporting period

Subsequent to the balance sheet date, in the meeting held on May 27, 2020, the Board of Directors have approved a proposal to raise funds upto an aggregate value not exceeding Rs.890 lakhs, by way of issue of equity shares of the Company to its eligible shareholders on a right basis ('Rights issue') in a ratio of one share for every three shares held.



BEARSELL LIMITED

CIN No : L65991TN1936PLC001428

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

59 Prior year comparatives

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

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Aravind K

Partner

Membership no.: 221268

Place : Chennai

Date : June 29, 2020

For and on behalf of the Board of Directors

Beardsell Limited

Amrith Anumolu

Executive Director

DIN : 03044661

Place : Hyderabad

V.V. Sridharan

Chief Financial Officer

Place : Chennai

Date : June 29, 2020

V.J. Singh

Director

DIN : 03129164

Place : Tirunelveli

T. Anantha Jothi

Company Secretary

Place : Madurai

Date : June 29, 2020



BEARDSSELL LIMITED

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